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Application Proof of

Hangzhou Bangshun Pharmaceutical Co., Ltd.
杭州邦順製藥股份有限公司

(the "**Company**")

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

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Hangzhou Bangshun Pharmaceutical Co., Ltd.

杭州邦順製藥股份有限公司

(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 reallocation)**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to reallocation 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 [REDACTED] in Hong Kong dollars and subject to refund)**
Nominal value	**:**	**RMB1.00 per H Share**
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***Sole Sponsor* [REDACTED]**

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SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to [**REDACTED**] *in the* [**REDACTED**]. *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**]. ***In particular, we are a biotechnology company seeking a*** [**REDACTED**] ***under Chapter 18A of the Listing Rules on the basis that we are unable to meet the requirements under Rule 8.05 (1), (2) or (3) of the Listing Rules.*** *Bezacitinib and CX1440 are the drug candidates for the purpose of satisfying the eligibility requirements under Chapter 18A of the Main Board Listing Rules and Chapter 2.3 of the Guide for New Listing Applicants. There are unique challenges, risks and uncertainties associated with* [**REDACTED**] *in companies such as ours. In particular, we may continue to incur substantial costs and expenses in relation to the research and development activities for bezacitinib and CX1440, and these Core Products may not ultimately be successfully developed or marketed. Your* [**REDACTED**] *decision should be made in light of these considerations.*

OVERVIEW

Founded in 2020, we are a commercial-stage biotechnology company focused on the discovery, development and commercialization of innovative therapies for oncology and autoimmune diseases. We have established a pipeline comprising two Core Products, namely bezacitinib, a selective JAK2 inhibitor being developed for multiple indications, including myelofibrosis (MF), polycythemia vera (PV) and essential thrombocythemia (ET), and CX1440, a registrational clinical-stage selective Bruton's tyrosine kinase (BTK) inhibitor being developed for multiple indications, including immune thrombocytopenia (ITP), chronic urticaria (CU) and autoimmune hemolytic anemia (AIHA); and five preclinical-stage candidates, CX03, CX12, CX13, CX15 and CX16.

Harnessing innovation as our edge and commercialization as our engine, we aim to become a sustainable and fully integrated biopharmaceutical company with capabilities across drug discovery, development and commercialization. Within these therapeutic areas, we strategically focus on developing oral small-molecule drug candidates targeting a broader and differentiated scope of indications than our competitors to address significant prevalence in hematologic malignancies and autoimmune diseases.

According to Frost & Sullivan, as of the Latest Practicable Date, our Core Product, bezacitinib, is one of the first three domestically developed JAK inhibitors to have been approved in China for the treatment of MF. In terms of clinical progress, bezacitinib ranks as the first JAK inhibitor in China for PV, and the first JAK inhibitor globally for ET. Our other Core Product, CX1440, is one of the first three BTK inhibitors globally in terms of clinical progress for ITP and one of the first two globally in terms of clinical progress for each of CU and AIHA.

THERE IS NO ASSURANCE THAT WE WILL ULTIMATELY BE ABLE TO DEVELOP AND MARKET OUR CORE PRODUCTS OR ANY OF OUR PIPELINE PRODUCTS SUCCESSFULLY.

This document is in draft form, incomplete and subject to change and the information must be read in conjunction with the section headed "Warning" on the cover of this document

OUR PIPELINE

The table below summarizes the development status of our drug candidates as of the Latest Practicable Date.

Compound	R&D Model	Target	Indication	Line(s) of Treatment	Regimen	Route of Administration	Preclinical	IND	Phase I	Phase II	Phase III	NDA	Approval	Achieved or Upcoming Milestones	Commercial Rights
Bezacitinib (OB756)★	Acquired[1]	JAK2	MF	1L	Mono	Oral	Approved by the NMPA in China							Received NDA approval from the NMPA in April 2026	Global
			PV	2L	Mono	Oral	China (NMPA)							Phase III clinical trial completed in May 2026; expect to submit the NDA in Q3 2026	
			ET	2L	Mono	Oral	China (NMPA)							EOP1 meeting with the CDE in January 2022; expect to initiate the Phase III clinical trial in Q4 2026	
			GVHD	2L	Mono	Oral	China (NMPA)[2]							Received IND approval in October 2021; expect to initiate Phase II clinical trial in Q2 2027	
			Selected autoimmune indications	2L	Mono	Oral	China (NMPA)[2]							To be determined	
CX1440★	Acquired[1]	BTK	ITP	2L	Mono	Oral	China (NMPA)							EOP2 meeting with the CDE in June 2024; expect to submit the NDA in Q4 2027	Global
			CU	2L	Mono	Oral	China (NMPA)[2]							Received IND approval in September 2022; expect to complete Phase II in Q4 2026	
			AIHA	2L	Mono	Oral	China (NMPA)[2]							Received IND approval in August 2025; expect to initiate Phase Ib/II clinical trial in Q3 2026	
			cGVHD	2L	Mono	Oral	China (NMPA)[2]							Received IND approval in August 2022; expect to initiate Phase Ib/II clinical trial in Q2 2027	
			Selected autoimmune indications	2L	Mono	Oral	China (NMPA)[2]							To be determined	
CX03	Self-developed	PIM1	MF	/	Combo	Oral								Expect to submit IND in Q4 2027	Global
CX12	Self-developed	METTL3	Solid tumors	/	Mono/ combo	Oral								Expect to submit IND in Q4 2027	Global
CX13	Self-developed	PPARG	Solid tumors	/	Mono	Oral								Expect to submit IND in Q3 2027	Global
CX15 (Molecular Glue)	Self-developed	KEAP1	Solid tumors	/	Mono/ combo	Oral								Expect to submit IND in Q3 2027	Global
CX16 (Molecular Glue)	Self-developed	VAV1	RA, IBD, MS	/	Mono	Oral	[3]							Expect to submit IND in Q1 2027	Global

★ Core Product

Pipeline in Tumor

Pipeline in Autoimmune Diseases

Abbreviations: MF refers to myelofibrosis; PV refers to polycythemia vera; ET refers to essential thrombocythemia; GVHD refers to graft-versus-host disease; ITP refers to immune thrombocytopenia; CU refers to chronic urticaria; AIHA refers to autoimmune hemolytic anemia; cGVHD refers to chronic graft-versus-host disease; RA refers to rheumatoid arthritis; IBD refers to inflammatory bowel disease; MS refers to multiple sclerosis; mono refers to monotherapy; combo refers to combination therapy; IND refers to Investigational New Drug application; NDA refers to New Drug Application; NMPA refers to National Medical Products Administration of China; Q2 refers to the second quarter of the year indicated; Q3 refers to the third quarter of the year indicated; Q4 refers to the fourth quarter of the year indicated.

Notes:

1 The discovery of bezacitinib and CX1440 was led by Dr. Lyu Yubin, currently our executive Director and general manager and Dr. Yin Jianming, currently our Chief Scientific Officer during their respective tenures at Hangzhou Huadong Medicine Group Pharmaceutical Research Institute Co., Ltd. (杭州華東醫藥集團新藥研究院有限公司, the "Research Institute") and Hangzhou Aojin Biopharmaceutical Technology Co., Ltd. (杭州澳津生物醫藥技術有限公司, the "Aojin Bio"). Dr. Lyu Yubin served as director and general manager of the Research Institute from 2009 to 2020. Aojin Bio was wholly owned by Dr. Yin Jianming and has ceased all substantive operating activities since 2020 following Dr. Yin's joining our Company. Other key R&D team members involved in the discovery and preclinical development of our Core Products are also currently with our Company. For details of the transfer history of technology and data, see "Business — Intellectual Property."

2 For bezacitinib and CX1440, the Phase I clinical trials in healthy adult volunteers were completed in January 2020 and March 2022, respectively. The safety, tolerability and pharmacokinetic data generated from the respective completed Phase I trials have been leveraged to support subsequent patient clinical trials for the relevant indications. Accordingly, the relevant patient studies for bezacitinib in GVHD and other selected autoimmune indications commenced, or are expected to commence, directly from Phase Ib/II dose-escalation and dose-expansion studies, without conducting a separate Phase I healthy volunteer study for each such indication. Similarly, the relevant patient studies for CX1440 in CU, AIHA, cGVHD and other selected autoimmune indications commenced, or are expected to commence, directly from Phase Ib/II dose-escalation and dose-expansion studies, without conducting a separate Phase I healthy volunteer study for each such indication. Such clinical development arrangements are based on the completed Phase I data, the proposed patient clinical trial protocols and the relevant IND approvals from the NMPA, and are subject to compliance with applicable PRC regulatory requirements, including communications with the CDE before commencing registrational studies, where applicable.

3 CX16 is currently undergoing IND-enabling studies. As of the Latest Practicable Date, we had not submitted an IND application for CX16. We expect to submit the IND application for CX16 in the first quarter of 2027.

Bezacitinib, our Core Product

Bezacitinib, our Core Product, is a selective JAK2 inhibitor for the treatment of myeloproliferative neoplasms (MPNs), with broader indication coverage than existing therapies and clinical progress ahead of the industry average. It is one of the first three domestically developed JAK inhibitors approved for MF in China. In terms of clinical progress, bezacitinib ranks as the first JAK inhibitor in China for PV, and the first JAK inhibitor globally for ET, underscoring its therapeutic potential and ability to address the needs of approximately 553.9 thousand patients with MPNs in China. According to Frost & Sullivan, the China MPN drug market reached USD1.0 billion in 2025 and is expected to increase to USD1.5 billion in 2030.

While most JAK inhibitors target autoimmune diseases, we have focused on developing bezacitinib for MPNs, where clinical needs remain significant and treatment options are limited. Our clinical trials in MF, PV, and ET have shown bezacitinib's favorable efficacy and safety, supporting its competitive profile among JAK inhibitors. In August 2024, we submitted our first NDA to the CDE for the treatment of MF, and received NDA approval in April 2026. Beyond MPNs, bezacitinib may have further development potential in other diseases driven by aberrant activation of the JAK-STAT signaling pathway, including indications with significant unmet medical needs such as GVHD. For further details, see "Business — Our Pipeline — Bezacitinib, our Core Product."

Market Opportunity and Competition

According to Frost & Sullivan, the global prevalence of MF, PV and ET has reached approximately 994.9 thousand, 2,624.0 thousand and 2,459.7 thousand patients in 2025, respectively, projected to reach approximately 1,288.7 thousand, 4,067.8 thousand and 3,186.0 thousand patients by 2035. The competitive landscape for JAK inhibitors across these indications remains limited. For MF, four JAK inhibitors have been approved in overseas markets and four in China, with no clinical-stage candidate under development in overseas markets and one in China. For PV, ruxolitinib remains the only approved JAK inhibitor in overseas markets and has not been marketed in China, with two clinical-stage candidates under development in overseas markets and two in China, among which bezacitinib is the most clinically advanced, having completed its Phase III clinical trial. For ET, no JAK inhibitor has been approved in any market, and bezacitinib is the only clinical-stage candidate under development for this indication globally. For more details, please refer to "Business — Our Pipeline — Bezacitinib, our Core Product — Market Opportunity and Competition."

Key Advantages

Differentiated Selectivity and Pharmacokinetic Profile. Bezacitinib demonstrates high JAK2 inhibitory potency with 5 to 55-fold of selectivity for JAK2 over other JAK family kinases, supporting its therapeutic activity with a narrower adverse event profile. Its pharmacokinetic (PK) properties further distinguish it from approved JAK inhibitors: bezacitinib is primarily excreted unchanged via the kidneys and does not undergo CYP metabolism, eliminating CYP-mediated drug-drug interaction (DDI) risks. This is particularly advantageous for elderly patients, patients with comorbidities, and patients on polypharmacy regimens — populations where certain CYP-related DDIs frequently complicate treatment. In contrast, ruxolitinib and other approved JAK inhibitors rely on CYP pathways and carry associated DDI risks when co-administered with CYP substrates, inhibitors, or inducers.

Demonstrated Safety Profile. Existing JAK inhibitors have been associated with off-target toxicities such as Wernicke's encephalopathy, cardiac failure, and peripheral neuropathy. To date, bezacitinib has shown minimal off-target toxicities in clinical studies. Observed adverse events primarily include anemia and thrombocytopenia, commonly seen in JAK inhibitor class. Most treatment-related adverse events were Grade 1/2 and manageable, with no unexpected safety signals observed so far.

Efficacy Observed Across Indications. In the pivotal Phase II/III MF trial, bezacitinib achieved a 24-week SVR35 of 62.8%, with a 48.5% outcome difference between treatment and control group — the largest between-group difference reported for selective JAK2 inhibitors, based on the publicly available data and according to Frost & Sullivan. In the Phase Ib/II PV study, bezacitinib achieved a 24-week CHR of 38.9% and SVR35 of 56.3%, outperforming published ruxolitinib data. In the Phase Ib/II trial in ET, at week 24, the CHR was 22% based on intention-to-treat analysis. Among evaluable patients, the HR rate reached 65.8%. At week 24, 94.7% of ET patients experienced spleen volume reduction, with 50.0% achieving 35% reduction.

Indication Expansion and Combination Potential. Beyond hematologic malignancies, bezacitinib's selective modulation of JAK2-driven cytokine pathways — while preserving JAK1-dependent immune function — provides a mechanistic rationale for expansion into GVHD and other cytokine-mediated inflammatory or autoimmune diseases. Bezacitinib has demonstrated synergistic effects in combination regimens. In combination with PIM inhibitors, it offers a potential option for MF patients who fail standard therapy or are resistant/intolerant to JAK inhibitors. The combination of a BTK inhibitors and bezacitinib can result in markedly enhanced *in vivo* efficacy in GVHD models, demonstrating strong potential in significantly improving survival outcomes and offering benefit for patients resistant to either JAK or BTK monotherapy.

Convenient Dosing and Pharmaceutical Advantages. Bezacitinib requires only 20 mg BID for MF — comparable to ruxolitinib (approximately 20 mg BID) but substantially lower than other JAK-class agents (ranging from 100 to 400 mg BID). This low pill burden supports patient compliance and reduces manufacturing costs.

For more details, see "Business — Our Strengths — Bezacitinib: A Selective JAK2 Inhibitor with Demonstrated Therapeutic Potential, Clinical Progress ahead of the Industry Average and Multiple Coverage for MPNs" and "Business — Our Pipeline — Bezacitinib, our Core Product — Key Advantages."

CX1440, our Core Product

CX1440, our Core Product, is a Phase III-stage BTK inhibitor. It is one of the first three globally BTK inhibitors in terms of clinical progress for ITP and one of the first two BTK inhibitors globally in terms of clinical progress for each of CU and AIHA. In 2025, China had approximately 216,400 patients with ITP, while the ITP drug market is projected to grow from approximately USD0.9 billion in 2025 to approximately USD3.6 billion in 2035, alongside expansion of the CU drug market from approximately USD3.0 billion to approximately USD10.9 billion and the AIHA drug market from approximately USD164.5 million to approximately USD339.8 million over the same period.

CX1440 is an orally administered, BTK inhibitor primarily developed for the treatment of autoimmune diseases. BTK inhibitors are small-molecule compounds that covalently bind to BTK, thereby inhibiting its activity, and have been used in the treatment of B-cell lymphoma as well as B-cell mediated autoimmune diseases.

While many marketed and late clinical stage BTK inhibitors have focused on their development for B-cell lymphoma, we have strategically prioritized the development of CX1440 in autoimmune diseases, based on its molecular characteristics and differentiated selectivity profile. To date, we have initiated clinical studies of CX1440 across four autoimmune diseases, with development programs in ITP, CU and AIHA ranking ahead of the average globally. The Phase III clinical trial of CX1440 for ITP has been initiated, and we expect to submit an NDA for this indication in the fourth quarter of 2027.

Market Opportunity and Competition

According to Frost & Sullivan, the global prevalence of ITP, CU and AIHA has reached approximately 1,103.9 thousand, 94.1 million and 806.9 thousand patients in 2025, respectively, projected to reach approximately 1,261.8 thousand, 103.3 million and 924.2 thousand patients by 2035. The competitive landscape for BTK inhibitors across these indications remains limited. For ITP, one BTK inhibitor has been approved in overseas markets and none in China, with one clinical-stage candidate (pirtobrutinib) under development in overseas markets and six in China. For CU (including CSU and CIU), one BTK inhibitor has been approved in overseas markets and one in China, with five clinical-stage candidates under development in China. For AIHA, no BTK inhibitor has been approved in any market, with one clinical-stage candidate under development in overseas markets and two in China. For more details, see "Business — Our Pipeline — CX1440, our Core Product — Market Opportunity and Competition."

Key Advantages

High Selectivity and Potency. CX1440 exhibits potent BTK inhibition with stronger activity against B-cell activation than ibrutinib. Importantly, it demonstrates minimal off-target activity against kinases commonly implicated in BTK inhibitor-related toxicities. In a 217-kinase screening assay, CX1440 at 1 μM showed high BTK selectivity, outperforming ibrutinib.

Favorable Safety Profile. This high selectivity translates into a favorable safety profile suitable for long-term treatment. CX1440 demonstrates a low cardiac risk, with its hERG IC_{50} approximately 650 times higher than the estimated unbound C_{max} at the recommended clinical dose. Repeat-dose toxicology studies confirmed a wide safety margin. In clinical studies, common BTK inhibitor-associated adverse events such as diarrhea, nausea, and fatigue were rarely observed with CX1440. No serious adverse reactions or deaths have occurred to date. This favorable profile supports the long-term usage of CX1440 across autoimmune diseases.

Clinical Efficacy in ITP. In our Phase Ib/II study of primary ITP, CX1440 demonstrated strong platelet-raising efficacy, comparable to or exceeding the efficacy of peer BTK inhibitors according to their publicly reported data. At the target dose of 100 mg BID, the primary platelet response rate — defined as achieving platelet counts 50×10^9/L in at least four of the last six visits within 24 weeks without rescue therapy — was 41.2%, compared to the first BTK inhibitor approved for ITP, according to publicly reported data. These durability data indicate that CX1440 may provide sustained long-term platelet control in the treatment of ITP, enabling a large portion of treated patients to achieve sustained platelet stabilization, which may reduce the need for repeated or rescue therapies.

Indication Expansion and Combination Potential. CX1440 has also demonstrated consistent efficacy across multiple autoimmune disease models, including CU, AIHA and cGVHD, positioning it as a versatile therapeutic candidate. For complex autoimmune diseases such as GVHD and SLE, we plan to combine CX1440 with bezacitinib, our JAK2 inhibitor currently at the NDA stage. This combination engages multiple signaling pathways synergistically, offering potential advantages in efficacy compared with single-agent BTK or JAK inhibitors. In preclinical GVHD and SLE models, the combination of CX1440 and bezacitinib demonstrated notable synergistic effects.

For more details, see "Business — Our Pipeline — CX1440, our Core Product — Key Advantages."

CX03 (PIM1 Inhibitor)

CX03 is a small-molecule, orally administered selective PIM1 kinase inhibitor being developed to overcome JAK inhibitor resistance and for use in combination therapy in the treatment of MF. By precisely modulating PIM signaling regulated by inflammatory cytokines and growth factors through the JAK-STAT and PI3K-AKT pathways, CX03 aims to deliver durable control of disease activity while minimizing the hematologic toxicities associated with non-selective (pan-PIM) inhibitors. CX03 has been optimized for convenient oral dosing with steady exposure, while early safety engineering focuses on limiting heart-ion-channel interactions and avoiding broad off-target kinase effects. This highly selective PIM1 profile is designed to support use both

as a monotherapy and in combination with JAK inhibitors such as ruxolitinib, with the goal of achieving greater reductions in spleen volume and symptom burden, as well as potential improvements in bone-marrow fibrosis. Ongoing development is focused on combination regimens with bezacitinib, supported by preclinical evidence demonstrating enhanced efficacy in disease models. We expect to submit an IND application for CX03 for the combination therapy of MF in the fourth quarter of 2027.

CX12 (METTL3 Inhibitor)

CX12 is an oral, small-molecule METTL3 inhibitor, and is being developed for solid tumors, with a focus on immuno-oncology settings where PD-1/PD-L1 checkpoint inhibitors show limited efficacy or acquired resistance, such as colorectal cancer and other hard-to-treat solid tumors. By modulating epigenetic RNA signaling that governs cancer cell survival and immune escape, CX12 is positioned as a potential combination partner for checkpoint blockade. CX12 is designed to selectively lower METTL3's m^6A-writing activity, essentially "turning down" pro-tumor messages within cancer cells while helping the immune system better recognize and attack tumors. We expect to submit an IND application for CX12, in combination with anti-PD-1 therapy, for the treatment of advanced unresectable or metastatic solid tumors in the fourth quarter of 2027.

CX13 (PPARG)

CX13 is an inverse agonist of PPARG being developed for the treatment of advanced urothelial carcinoma characterized by aberrant PPARG activation. In preclinical studies, CX13 has demonstrated potent inhibitory activity against PPARG and exhibited antitumor effects in tumor cell and CDX models harboring PPARG mutations. CX13 has also shown favorable pharmacokinetic properties in animal PK studies. We expect to submit an IND application for CX13 for the treatment of solid tumors characterized by aberrant PPARG activation in the third quarter of 2027.

CX15 (KEAP1 Activator)

CX15 is a covalent allosteric molecular glue degrader targeting KEAP1, intended for the treatment of solid tumors with constitutive NRF2 activation. NRF2 is a core regulatory factor in the oxidative stress signaling pathway. Under physiological conditions, NRF2 activation exerts cytoprotective effects; however, constitutive activation of NRF2 in tumor cells confers a strong survival advantage, promoting tumor initiation, progression and drug resistance. CX15 covalently binds to a cysteine residue within the active site of KEAP1, inducing conformational changes that stabilize the KEAP1-CUL3 E3 ligase complex, thereby enhancing NRF2 ubiquitination and degradation. By restoring KEAP1-mediated suppression of NRF2, CX15 inhibits tumor cell drug resistance, antioxidant defense responses, immune evasion and metabolic reprogramming. CX15 has demonstrated antitumor effects in preclinical tumor models, and we expect to submit an IND application for the treatment of solid tumors harboring KEAP1/NRF2-related mutations in the third quarter of 2027.

CX16 (VAV1 molecular glue degrader)

CX16 is a selective molecular glue degrader of VAV1, currently in preclinical development for autoimmune and inflammatory diseases, with potential in rheumatoid arthritis (RA), inflammatory bowel disease (IBD) and multiple sclerosis (MS). VAV1 is a key component of antigen receptor signaling complexes and plays a critical regulatory role in both T-cell receptor (TCR) and B-cell receptor (BCR) signaling pathways, while also functioning as a guanine nucleotide exchange factor (GEF) regulating cytoskeletal dynamics. Through these activities, VAV1 governs immune cell proliferation, differentiation, activation, cytokine production, antibody generation and cell migration, thereby contributing to disease pathogenesis. CX16 promotes the formation of a ternary complex between CRBN and VAV1, leading to ubiquitination and subsequent proteasomal degradation of VAV1. Unlike traditional protein inhibitors, CX16 does not rely on a classical binding pocket, enabling the targeted degradation of otherwise "undruggable" proteins such as VAV1. We expect to submit IND applications for CX16 for the treatment of RA, IBD and MS in the first quarter of 2027.

OUR PLATFORM

We have established two competitive, in-house drug discovery platforms: a highly selective small-molecule drug discovery platform and a molecular glue discovery platform. Together, these platforms form the cornerstone of our therapeutic R&D capabilities and have enabled the advancement of multiple core programs with demonstrated clinical and commercial potential. For details, please see "Business — Research and Development — Our Platform."

OUR STRENGTHS

We believe the following strengths have contributed to our success and differentiated us from our competitors:

- Diversified drug candidates portfolio in oncology and autoimmune diseases targeting growing prevalence, with multiple indications at pivotal or NDA stages;
- Bezacitinib: a Selective JAK2 Inhibitor with demonstrated therapeutic potential, clinical progress ahead of the industry average and multiple coverage for MPNs;
- CX1440: a highly selective BTK inhibitor with a differentiated safety profile and clinical progress ahead of the industry average for multiple autoimmune diseases;
- Comprehensive drug development engine built on our in-house developed discovery platforms and clinical capabilities; and
- Management team with experience in drug innovation and commercialization, backed by institutional investors.

OUR STRATEGIES

We intend to capitalize on our competitive strengths by pursuing the following strategies:

- Continue to advance the clinical development and commercialization of our Core Products across multiple hematologic malignancies and autoimmune diseases;
- Enrich our differentiated pipeline in oncology and autoimmune diseases;
- Establish our own commercial team and nationwide sales network, and build GMP-compliant manufacturing facilities;
- Seek strategic collaboration with large pharmaceutical companies; and
- Attract, develop and retain top talents through a people-centric culture to ensure sustainable long-term growth.

RESEARCH AND DEVELOPMENT

Research and development is a core pillar of our business strategy. In 2024 and 2025 and the six months ended June 30, 2025 and 2026, research and development costs incurred for our Core Products, bezacitinib and CX1440, were approximately RMB54.0 million, RMB68.6 million, RMB28.7 million and RMB33.1 million, respectively, accounting for 70.3%, 34.6%, 71.2% and 46.7% of our total operating expenses (including selling and marketing expenses, research and development costs and administrative expenses) for the corresponding periods. We conduct R&D activities primarily through our in-house R&D team. As of the Latest Practicable Date, our in-house R&D team consisted of 72 members, of whom 34, or 47.2%, held a master's degree or above, including five with doctoral degrees and 29 with master's degrees. Our core R&D team members, particularly those involved in the development of our Core Products prior to and during the Track Record Period, have an average of approximately 20 years of relevant pharmaceutical industry experience. Our R&D activities were primarily conducted in China. Our Hangzhou facility serves as the core of our research operations, housing our key technology platforms and laboratories that support every stage of our drug discovery, preclinical research, and clinical development. For more details, please see "Business — Research and Development." We also engage contract research organizations (CROs) and Site Management Organizations (SMOs) from time to time for clinical research coordinator and data management services. We select CROs and SMOs through a

comprehensive evaluation process that considers their qualifications, technical expertise, experience, reputation, and cost-effectiveness. Under our close supervision and overall management, these project-specific partnerships provide a range of services, including clinical research coordinator (CRC) services tailored to our needs as well as data management and statistical analysis. During the Track Record Period, we collaborated with over 20 CROs and SMOs. For more details on the services provided by our collaborated CROs and SMOs and a summary of key terms of our collaboration agreements, see "Business — Research and Development — Our Collaboration with CROs and SMOs." In 2024 and 2025 and the six months ended June 30, 2025 and 2026, our research and development costs were RMB64.5 million, RMB86.5 million, RMB34.1 million and RMB44.0 million, respectively.

CMC AND MANUFACTURING

Our CMC team provides strong support on drug supply and pharmaceutical research throughout the drug development process. Its core functions comprise (i) process development and optimisation for active pharmaceutical ingredients (APIs), (ii) dosaging form selection and formulation development, and (iii) analytical method development and the establishment of quality standards. During the Track Record Period, we also outsourced certain manufacturing activities to industry-recognized CDMOs in China to support the preclinical and clinical supply of our drug candidates. For details, see "Business – CMC and Manufacturing."

INTELLECTUAL PROPERTY

We have a global portfolio of patents to protect our drug candidates and technologies. As of the Latest Practicable Date, we owned (i) 18 issued patents in China, (ii) two issued patents in the U.S., (iii) eight issued patents in other jurisdictions, and (iv) 22 patent applications, including 14 in China, three under the PCT, and five in other jurisdictions. As of the Latest Practicable Date, with respect to our two Core Products, bezacitinib and CX1440, we had three issued patents in the PRC, two issued patents in the U.S., and eight issued patents in other jurisdictions, as well as three pending patent applications in the PRC. For further details, please refer to the paragraphs headed "Business — Intellectual Property."

CUSTOMER

During the Track Record Period, our revenue was primarily derived from technology transfer related to a preclinical program. For further details, see "Financial Information — Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income — Revenue." During the Track Record Period, we had only one customer. For the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026, revenue generated from this customer for each period amounted to RMB0.9 million, RMB0.5 million and nil, representing approximately 100.0%, 100.0% and nil of our total revenue for the same period, respectively.

SUPPLIERS AND PROCUREMENT

During the Track Record Period, our suppliers primarily consisted of laboratory equipment, reagents, consumables and maintenance and repair services, and technical equipment and service providers. Purchases from our five largest suppliers for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026 were RMB7.2 million, RMB12.7 million and RMB9.4 million, respectively, representing 23.5%, 28.5% and 35.7% of our total purchases for the same periods. Purchases from our single largest supplier for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026 were RMB1.9 million, RMB4.8 million and RMB2.7 million, respectively, representing 6.1%, 10.7% and 10.1% of our total purchases for the same periods.

COMMERCIALIZATION

We obtained marketing approval from the NMPA for bezacitinib for the treatment of MF in April 2026. Following such approval, and as our other pipeline drug candidates continue to advance through clinical development, we have been further developing our commercial planning and portfolio management capabilities. In anticipation of submitting NDAs for bezacitinib for PV and ET and CX1440 for ITP over the next few years, we plan to maximize the value of our product portfolio by further strengthening our in-house commercialization capabilities, facilitating the market launch of our Core Products, and establishing our formulation manufacturing base.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

This summary historical data of financial information set forth below have been derived from, and should be read in conjunction with our consolidated audited financial statements, 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." Our historical financial information was prepared in accordance with HKFRS Accounting Standards.

Summary Data of Consolidated Statements of Profit or Loss and Other Comprehensive Income

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income for the periods indicated:

	Year Ended December 31,		Six Months Ended June 30,	
	2024	2025	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000) (unaudited)*	*(RMB'000)*
Revenue	**943**	**509**	**–**	**–**
Cost of sales	–	–	–	–
Gross profit	**943**	**509**	**–**	**–**
Other income and gains	16,194	11,451	10,149	1,488
Selling and marketing expenses	–	(728)	–	(4,215)
Research and development costs	(64,528)	(86,500)	(34,147)	(43,977)
Administrative expenses	(12,162)	(111,185)	(6,177)	(22,721)
Changes in fair value of redemption liabilities on equity shares	(27,725)	(111,513)	(2,813)	(10,675)
Reversal of impairment/(impairment) losses on financial assets, net	18	(23)	(24)	(5)
Finance costs	(1,184)	(534)	(224)	(50)
Loss before tax	**(88,444)**	**(298,523)**	**(33,236)**	**(80,155)**
Income tax expense	–	–	(33)	–
Loss and total comprehensive loss for the year/period	**(88,444)**	**(298,523)**	**(33,269)**	**(80,155)**
Attributable to:				
Owners of the parent	(88,444)	(298,523)	(33,269)	(80,155)

During the Track Record Period, our revenue was primarily derived from technology transfer related to a preclinical program. In 2024 and 2025 and the six months ended June 30, 2025 and 2026, our revenue was RMB0.9 million, RMB0.5 million, nil and nil, respectively. We obtained NDA approval for bezacitinib for the treatment of MF in April 2026, but have not generated any revenue from product sales during the Track Record Period. In 2024 and 2025 and the six months ended June 30, 2025 and 2026, we incurred loss for the year/period of RMB88.4 million, RMB298.5 million, RMB33.3 million and RMB80.2 million respectively. Such losses primarily resulted from (i) our operating expenses, which equal to the sum of selling and marketing expenses, research and development costs and administrative expenses, and (ii) changes in fair value of redemption liabilities on equity shares. For details, see "Financial Information — Period-to-Period Comparison of Results of Operations."

Summary Data from Consolidated Statements of Financial Position

The following table sets forth summary data from our consolidated statements of financial position as of the dates indicated.

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Total non-current assets	56,060	95,710	118,352
Total current assets	112,538	285,123	198,263
Total current liabilities	580,029	994,089	1,006,505
Total non-current liabilities	–	1,231	4,752
Net current liabilities	(467,491)	(708,966)	(808,242)
Net liabilities	(411,431)	(614,487)	(694,642)

Our net current liabilities increased from RMB467.5 million as of December 31, 2024 to RMB709.0 million as of December 31, 2025, primarily attributable to an increase of RMB398.5 million in redemption liabilities on equity shares, which was partially offset by an increase of RMB121.6 million in cash and cash equivalents and an increase of RMB40.2 million in financial assets at FVTPL. Our net current liabilities increased from RMB709.0 million as of December 31, 2025 to RMB808.2 million as of June 30, 2026, primarily due to a decrease of RMB92.8 million in cash and cash equivalents. Our net liabilities increased from RMB411.4 million as of December 31, 2024 to RMB614.5 million as of December 31, 2025, primarily attributable to (i) recognition of redemption liabilities on equity shares of RMB287.0 million and (ii) loss for the year of RMB298.5 million, partially offset by (i) issue of new shares of RMB287.0 million and (ii) share-based payments of RMB93.1 million. Our net liabilities increased from RMB614.5 million as of December 31, 2025 to RMB694.6 million as of June 30, 2026, primarily due to loss for the period of RMB80.2 million. Our redemption liabilities on equity shares primarily represent the instruments with special rights we issued to our Pre-[**REDACTED**] Investors. These instruments will be transferred to equity upon [**REDACTED**], after which the amount of our redemption liabilities on equity shares, which were recorded as our current liabilities during the Track Record Period, will be derecognized from our liabilities and recorded as equity, which can result in our Group turning into net current assets and net assets position. For details, see "Financial Information — Discussion of Certain Selected Items from the Consolidated Statements of Financial Position."

Summary Data from Consolidated Statements of Cash Flows

The following table sets forth summary data from our consolidated statements of cash flows for the periods indicated:

	Year Ended December 31,		Six Months Ended June 30,	
	2024	2025	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000) (unaudited)*	*(RMB'000)*
Net cash flows used in operating activities	(62,727)	(96,365)	(34,794)	(67,546)
Net cash flows used in investing activities	(3,959)	(68,483)	(43,262)	(21,870)
Net cash flows from/(used in) financing activities	117,984	286,445	159,569	(3,380)
Net increase/(decrease) in cash and cash equivalents	**51,298**	**121,597**	**81,513**	**(92,796)**
Cash and cash equivalents at beginning of the year/period	17,426	68,724	68,724	190,321
Cash and cash equivalents at end of the year/period	**68,724**	**190,321**	**150,237**	**97,525**

In the six months ended June 30, 2026, our net cash flows used in operating activities were RMB67.5 million, which was primarily attributable to our loss before tax of RMB80.2 million, adjusted by certain non-cash and working capital items, including (i) positive adjustments, which primarily included fair value loss on redemption liabilities on equity shares of RMB10.7 million, and (ii) negative adjustments, which primarily included investment income from financial assets at FVTPL of RMB1.1 million.

In 2025, our net cash flows used in operating activities were RMB96.4 million, which was primarily attributable to our loss before tax of RMB298.5 million, adjusted by certain non-cash and working capital items, including (i) positive adjustments, which primarily included fair value loss on redemption liabilities on equity shares of RMB111.5 million, and share-based payment expenses of RMB93.1 million and (ii) negative adjustments, which primarily included an increase in prepayments, other receivables and other assets of RMB5.4 million, and investment income from financial assets at FVTPL of RMB1.5 million.

In 2024, our net cash flows used in operating activities were RMB62.7 million, which was primarily attributable to our loss before tax of RMB88.4 million adjusted by certain non-cash and working capital items, including (i) positive adjustments, which primarily included fair value loss on redemption liabilities on equity shares of RMB27.7 million and depreciation of property, plant and equipment of RMB4.4 million, and (ii) negative adjustments, which primarily included a decrease in trade payables of RMB5.7 million and a decrease in other payables and accruals of RMB4.0 million. For details, see "Financial Information — Liquidity and Capital Resources."

Our primary uses of cash during the Track Record Period were for funding the research and development of our Core Products and other pipeline programs, as well as the construction of our manufacturing facilities. During the Track Record Period and up to the Latest Practicable Date, we primarily funded our working capital requirements through equity financing and bank borrowings. Our management closely monitors the use of cash and cash equivalents and strives to maintain healthy liquidity for our operations. Going forward, we believe our liquidity requirements will be satisfied by a combination of [**REDACTED**] from the [**REDACTED**], bank loans and cash generated from our operations after the commercialization of our drug candidates. With the continuing expansion of our business, we may require further funding through public or private offerings, debt financing, collaboration arrangements or other sources.

Our Directors are of the opinion that, taking into account the financial resources available to our Group, including cash and bank balances and the estimated [**REDACTED**] from the [**REDACTED**], we have sufficient working capital to cover at least 125% of our costs, including research and development costs and administrative expenses, for at least the next 12 months from the expected date of this document.

Our cash burn rate refers to the average monthly amount of net cash used in operating activities, capital expenditures and lease payments. We had cash and cash equivalents of RMB97.5 million and financial assets at FVTPL of RMB85.5 million as of June 30, 2026. We estimate that we will receive [**REDACTED**] of approximately HK$[**REDACTED**], equivalent to RMB[**REDACTED**], after deducting the [**REDACTED**] fees and expenses payable by us in the [**REDACTED**], assuming no [**REDACTED**] are exercised and assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], being the low-end of the [**REDACTED**] in this document. Assuming an average cash burn rate going forward of 1.5 times the level in 2025, we estimate that (i) our cash and cash equivalents and financial assets at FVTPL as of June 30, 2026 will be able to maintain our financial viability for [**REDACTED**] months or, (ii) if we take into account [**REDACTED**]% of the estimated [**REDACTED**] from the [**REDACTED**] (namely, the portion allocated for our working capital and other general corporate purposes), [**REDACTED**] months or, (iii) if we also take into account the estimated [**REDACTED**] from the [**REDACTED**], [**REDACTED**] months. We will continue to monitor our cash flows from operations closely and expect to raise our next round of financing, if needed, with a minimum buffer of 12 months.

Key Financial Ratios

Our current ratio (calculated as total current assets divided by total current liabilities as of a specific date) was 0.2 as of December 31, 2024, 0.3 as of December 31, 2025 and 0.2 as of June 30, 2026. For details, see "Financial Information — Key Financial Ratio."

RISK FACTORS

Our business and the [**REDACTED**] involve certain risks including those set out in the section headed "Risk Factors" in this document. As different [**REDACTED**] may have different interpretations and criteria when determining the significance of a risk, you should read the "Risk Factors" section in its entirety before you decide to [**REDACTED**] in our [**REDACTED**]. Some of the major risks that we face include: (i) we depend substantially on the success of our drug candidates. If we are unable to successfully complete development, obtain regulatory approval and commercialize our drug candidates, or if we experience significant delays in doing any of the foregoing, our business, financial condition, results of operations and prospects will be materially harmed; (ii) if clinical trials of our drug candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, we may incur additional costs or experience delays in completing, or may ultimately be unable to complete, the development and commercialization of our drug candidates; and (iii) adverse events caused by our drug candidates could interrupt, delay or halt clinical trials, delay or prevent regulatory approval, limit the commercial profile of an approved drug, or result in significant negative consequences following any regulatory approval.

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, Mr. Li Bangliang, through Hangzhou Wanyuhe, Hangzhou Sanrui and Hangzhou Liuyintai, held approximately 31.25% of the voting rights in the Company. Immediately after completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), Mr. Li Bangliang, Hangzhou Wanyuhe, Hangzhou Sanrui and Hangzhou Liuyintai will hold [**REDACTED**]% of the voting rights in the Company in aggregate. Accordingly, Mr. Li Bangliang, Hangzhou Wanyuhe, Hangzhou Sanrui and Hangzhou Liuyintai will no longer constitute a group of controlling shareholders, but will remain as our single largest group of shareholders upon the completion of the [**REDACTED**]. For details, see "Relationship with our Single Largest Group of Shareholders."

PRE-[REDACTED] INVESTORS

Since the establishment of our Group, we have received Pre-[**REDACTED**] Investments from a number of Pre-[**REDACTED**] Investors. Binhai Industry Fund is our Sophisticated Investor, who has made meaningful investment in the Company in accordance with Chapter 2.3 of the Guide for New Listing Applicants. Binhai Industry Fund will hold approximately [**REDACTED**]% of the Company's total issued share capital upon the [**REDACTED**] (assuming the [**REDACTED**] is not exercised). For the principal terms of the Pre-[**REDACTED**] Investments and background information of the Pre-[**REDACTED**] Investors, see "History, Development and Corporate Structure — Pre-[**REDACTED**] Investments."

[**REDACTED**]

[REDACTED] EXPENSE

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

DIVIDENDS

We did not declare or pay any dividend during the Track Record Period. We do not currently have a formal dividend policy or a pre-determined dividend payout ratio. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. [**REDACTED**] should not purchase our ordinary shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant. Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make, as determined in accordance with its articles of association and the accounting standards and regulations in China.

As advised by our PRC Legal Advisor, taking into account the aforesaid, we may not have sufficient or any distributable profits to make dividend distributions to our Shareholders in a given year, in view of our accumulated losses, or even if we become profitable, as we will only be able to declare or pay dividends out of our distributable profits until (i) the accumulated losses are covered by our after-tax profits, and (ii) sufficient statutory and other reserves are drawn in accordance with the relevant laws, regulations and our constitutional documents. In light of our accumulated losses as disclosed in this document, it is unlikely that we will be eligible to pay dividends out of our profits in the foreseeable future.

USE OF [**REDACTED**]

We estimate that we will receive [**REDACTED**] from the [**REDACTED**] of approximately HK$[**REDACTED**], after deducting [**REDACTED**], fees and other estimated expenses paid and payable by us in connection with the [**REDACTED**], and assuming that the [**REDACTED**] is not exercised and an [**REDACTED**] of HK$[**REDACTED**] per H Share, being the mid-point of the [**REDACTED**] of HK$[**REDACTED**] to HK$[**REDACTED**] per H Share.

We currently intend to use the [**REDACTED**] from the [**REDACTED**] for the following purposes, subject to changes in light of our evolving business needs and changing market conditions:

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for the ongoing and planned clinical trials and regulatory filing preparation for our Core Products, bezacitinib and CX1440;

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to support the preclinical studies and future clinical development of our preclinical-stage drug candidates, including but not limited to CX15 and CX16;

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to fund our commercialization activities in China;

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for the development of manufacturing facilities to support production after the commercialization of pipeline products under development, including the construction of plant, auxiliary buildings and production equipment;

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for working capital and general corporate purposes.

For more details, please see "Future Plans and Use of [**REDACTED**]."

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Since the end of the Track Record Period, we have been continuously developing our business and advancing our pipeline. As of the Latest Practicable Date, there had not been any material unexpected or adverse changes since the date we received the relevant regulatory approval for bezacitinib. We expect that we will continue to record an increase in net losses for the year ended December 31, 2026, primarily because (i) we expect to incur significant research and development expenses as we continue to advance and expand our pipeline and enhance our technology platforms; (ii) we expect to incur changes in fair value of redemption liabilities on equity shares; and (iii) we expect to incur [**REDACTED**] expenses in connection with our proposed [**REDACTED**].

Our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since June 30, 2026, the end of the period reported in the Accountants' Report set out in Appendix I to this document, and there has been no event since June 30, 2026 that would materially affect the information contained in the Accountants' Report set out in Appendix I to this document.

DEFINITIONS

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."

"Accountants' Report"	the accountants' report of the Company, the text of which is set out in "Appendix I"
"affiliate(s)"	with respect to any specified person, 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
"Articles of Association" or "Articles"	the articles of association of the Company conditionally adopted on January 5, 2026 with effect from the [**REDACTED**], as amended, supplemented or otherwise modified from time to time, a summary of which is set out in "Appendix VI — Summary of Articles of Association"
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Binhai Industry Fund"	Shaoxing Binhai New Area Biomedical Industry Equity Investment Fund Partnership (L.P.) (紹興濱海新區生物醫藥產業股權投資基金合夥企業(有限合夥)), a limited partnership incorporated in the PRC on August 27, 2020 and one of our Shareholders
"Board" or "Board of Directors"	the board of Directors of the Company
"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
	[**REDACTED**]
"China", "Chinese Mainland" or "PRC"	the People's Republic of China and for the purpose of this document only and for geographical reference only, except where the context requires, references in this document to "China" and the "PRC" do not apply to Hong Kong SAR, Macau Special Administrative Region and Taiwan Region
"close associate(s)"	has the meaning ascribed to it under the Listing Rules

DEFINITIONS

"Companies Ordinance"	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"	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company" or "the Company"	Hangzhou Bangshun Pharmaceutical Co., Ltd. (杭州邦順製藥股份有限公司), a limited liability company established under the laws of the PRC on May 22, 2020 and converted into a joint stock company with limited liability on November 26, 2025
"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"	the Corporate Governance Code as 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)"	the director(s) of the Company
"Domestic Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are subscribed for and paid up in Renminbi, held by domestic investors and not [**REDACTED**] or [**REDACTED**] on any stock exchange
"EIT"	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
"Exchange Participant"	a person (a) who, in accordance with the Rules of the Stock Exchange, may trade on or through the Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Stock Exchange as a person who may trade on or through the Stock Exchange

"Extreme Conditions"	the occurrence of "extreme conditions" as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, largescale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below
	[**REDACTED**]
"Frost & Sullivan" or "Industry Consultant"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., our industry consultant, an independent market research and consulting company
	[**REDACTED**]
"Group", "we" or "us"	the Company and its subsidiaries from time to time
"Guide for New Listing Applicants"	the Guide for New Listing Applicants issued by the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"H Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which will be [**REDACTED**] for and [**REDACTED**] in Hong Kong dollars and [**REDACTED**] on the Stock Exchange
	[**REDACTED**]
"Hangzhou Jiuyin"	Hangzhou Jiuyin Pharmaceutical Technology Co., Ltd. (杭州九因醫藥科技有限公司), a company incorporated in the PRC on April 13, 2020 and one of our substantial Shareholders
"Hangzhou Liuyintai"	Hangzhou Liuyintai Pharmaceutical Technology Partnership Enterprise (Limited Partnership) (杭州六因泰醫藥科技合夥企業(有限合夥)), a limited partnership incorporated in the PRC on December 13, 2023 and one of our Shareholders
"Hangzhou Sanrui"	Hangzhou Sanrui Pharmaceutical Technology Partnership Enterprise (Limited Partnership) (杭州三睿醫藥科技合夥企業(有限合夥)), a limited partnership incorporated in the PRC on May 21, 2020 and one of our Shareholders
"Hangzhou Wanyuhe"	Hangzhou Wanyuhe Pharmaceutical Technology Co., Ltd. (杭州萬裕和醫藥科技有限公司), a company incorporated in the PRC on August 30, 2016 and one of our Shareholders

"HK$" or "Hong Kong dollars" or "HK dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"HKFRS Accounting Standards"	Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and the related interpretations issued by the Hong Kong Institute of Certified Public Accountants

[**REDACTED**]

"Hong Kong", "HK" or "Hong Kong SAR"	the Hong Kong Special Administrative Region of the PRC

[**REDACTED**]

[**REDACTED**]

"independent third party(ies)"	entity(ies) or person(s) which, to the best of the Directors' knowledge, information, and belief having made all reasonable enquiries, is/are not a connected person(s) of the Company within the meaning of the Listing Rules

[**REDACTED**]

"Latest Practicable Date"	August 21, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication

[**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 Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
"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)
"Nomination Committee"	the nomination committee of the Board

[**REDACTED**]

"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"PRC AoA Guidelines"	Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》), as amended, supplemented or otherwise modified from time to time
"PRC Company Law"	Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
"PRC Legal Advisor"	Zhejiang T&C Law Firm, our legal advisor as to PRC law
"Pre-[**REDACTED**] Investment(s)"	the investment(s) in the Company undertaken by the Pre-[**REDACTED**] Investors, the details of which are set out in "History, Development and Corporate Structure"
"Pre-[**REDACTED**] Investor(s)"	the investor(s) as set out in "History, Development and Corporate Structure"

[**REDACTED**]

"R&D"	research and development
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SAFE"	State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SFC"	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
"Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, comprising Domestic Share(s) and H Share(s)
"Shareholder(s)"	holder(s) of the Share(s)
"Shanghai Stock Exchange"	the Shanghai Stock Exchange (上海證券交易所)
"Shenzhen Stock Exchange"	the Shenzhen Stock Exchange (深圳證券交易所)
"Single Largest Group of Shareholders"	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. Li Bangliang, Hangzhou Wanyuhe, Hangzhou Sanrui and Hangzhou Liuyintai, further details of which are set out in "Relationship with our Single Largest Group of Shareholders"

[**REDACTED**]

	[**REDACTED**]
"Sole Sponsor"	the sole sponsor named in "Directors and Parties Involved in the [**REDACTED**]"
	[**REDACTED**]
"Sophisticated Investor(s)"	has the meaning ascribed to it under Chapter 2.3 of the Guide for New Listing Applicants issued by the Stock Exchange
"STA"	State Taxation Administration of the PRC (中華人民共和國國家税務總局)
	[**REDACTED**]
"State Council"	State Council of the PRC (中華人民共和國國務院)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
"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 years ended December 31, 2024 and 2025 and the six months ended June 30, 2026
"treasury shares"	has the meaning ascribed to it under the Listing Rules
"Trial Measures" or "Overseas Listing Trial Measures"	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》) promulgated by the CSRC on February 17, 2023
"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**]

"%"	per cent

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in this document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.

For the purpose of this document, references to "provinces" of China include provinces, municipalities under direct administration of the central government and provincial-level autonomous regions.

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.

GLOSSARY OF TECHNICAL TERMS

This glossary contains definitions of certain technical terms used in this document in connection with us and our business. These may not correspond to standard industry definitions and may not be comparable to similar terms adopted by other companies.

"AE"	adverse event
"ALT"	alanine transaminase, a biomarker commonly associated with injury or apoptosis of liver cells
"API"	active pharmaceutical ingredient, the substance in a pharmaceutical drug that is biologically active
"apoptosis"	a form of programmed cell death in which a programmed sequence of events leads to the elimination of cells
"AST"	aspartate aminotransferase, high levels of which in the blood may indicate hepatitis, cirrhosis, or other liver diseases
"AUC"	the area under the plasma drug concentration-time curve reflects the dynamic change of drug concentration over time after entering the human body. Its value represents the relative amount of drug absorbed into the systemic blood circulation
"AUC_{0-24h}"	area under the concentration-time curve from 0 to 24 hours
"BCR"	B-cell receptor, a transmembrane protein on the surface of a B cell
"BID"	twice daily
"bioavailability"	the fraction of an administered dose of drug that reaches systemic circulation, which is one of the principal pharmacokinetic properties of drugs
"biomarker"	a naturally occurring molecule, gene, or characteristic by which a particular pathological or physiological process, disease, etc. can be identified
"biosimilar"	the generic version of a patented biologic drug
"bispecific antibody"	a recombinant antibody modified through genetic or antibody engineering to bind two different antigens simultaneously

GLOSSARY OF TECHNICAL TERMS

"BTK"	Bruton's tyrosine kinase, an enzyme inside cells that, when its signaling is persistently switched on, drives abnormal immune cells (B-cells) to survive and multiply excessively. A BTK inhibitor is a drug that blocks the activity of this enzyme to reduce the harmful effects of these overactive immune cells, and is commonly used to treat certain autoimmune diseases and blood disorders
"CALR"	calreticulin, a multifunctional soluble protein that binds Ca2+ ions (a second messenger in signal transduction)
"CD19"	cluster of differentiation 19
"CD41"	cluster of differentiation 41
"$CD8^+$ T cell"	cytotoxic T lymphocyte or CTL, a cornerstone of the pharmaceutical industry's efforts in cancer immunotherapy due to their potent ability to recognize and kill cancer cells
"CDMO"	contract development and manufacturing organization
"cell therapy"	a therapy in which viable cells are injected, grafted or implanted into a patient in order to effectuate a medicinal effect
"chemotherapy"	a treatment using cytotoxic chemicals to target and eliminate rapidly dividing cells within the body.
"C_{max}"	highest or peak blood/plasma concentration
"CMC"	chemistry, manufacturing, and controls processes in the development, licensure, manufacturing, and ongoing marketing of pharmaceutical products
"CRO"	contract research organization
"CSCO"	Chinese Society of Clinical Oncology, one of the most authoritative professional academic organizations in the field of hematology/oncology in China, and its clinical practice guidelines are widely used by physicians nationwide as an important reference for treatment decision-making
"CYP3A4"	Cytochrome P450 3A4, an important enzyme in the body mainly found in the liver and in the intestine
"DC"	dendritic cell, a type of antigen-presenting cell (APC) that functions by capturing, processing, and presenting tumor antigens to T cells
"D_{max}"	maximum degradation

GLOSSARY OF TECHNICAL TERMS

"DNA"	deoxyribonucleic acid
"GLP"	good laboratory practice
"GM-CSF"	granulocyte-macrophage colony-stimulating factor, a cytokine that stimulates the production and function of granulocytes and macrophages, particularly dendritic cells
"GMP"	good manufacturing practice
"HER2"	human epidermal growth factor receptor 2
"IC_{50}"	half maximal inhibitory concentration
"IFN-γ"	interferon gamma, a dimerized soluble cytokine that is the only member of the type II class of interferons
"IgM"	immunoglobulin M, the first antibody to appear in the response to initial exposure to an antigen
"IL-17"	interleukin-17
"IL-23"	interleukin-23
"IL-6"	interleukin-6, an interleukin that acts as both a pro-inflammatory cytokine and an anti-inflammatory myokine
"immunotherapy"	a type of therapy that uses substances to stimulate or suppress the immune system to help the body fight cancer, infection, and other diseases
"*in vitro*"	Latin for "within the glass", studies using components of an organism that have been isolated from their usual biological surroundings
"*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
"IND"	Investigational New Drug
"JAK"	Janus Kinase, a family of intracellular, non-receptor tyrosine kinases that transduce cytokine-mediated signals via the JAK-STAT pathway, including JAK1, JAK2, JAK3 and TYK
"JAK2-V617F"	V617F mutation in JAK2, a recurrent driver of myeloproliferative neoplasms

GLOSSARY OF TECHNICAL TERMS

"JAK-STAT signaling"	a chain of interactions between proteins in a cell, and is involved in processes such as immunity, cell division, cell death, and tumor formation
"KEAP1"	Kelch-like ECH-associated protein 1, a protein that in humans is encoded by the Keap1 gene
"LOCF"	last observation carried forward, a statistical approach to the analysis of longitudinal repeated measures data where some follow-up observations may be missing
"LYN"	a member of the Src family of protein tyrosine kinases, predominantly expressed in hematopoietic cells, where it regulates immune cell activation and signaling
"METTL3"	methyltransferase-like protein 3, an RNA methyltransferase implicated in mRNA biogenesis, decay, and translation control through m^6A modification
"MIPSS70"	Mutation-Enhanced International Prognostic Scoring System for patients aged $\leq$70 years
"monoclonal antibody"	an antibody produced from a cell lineage made by cloning a unique white blood cell
"MSC"	mesenchymal stromal cell or medicinal signaling cells, multipotent stromal cells that can differentiate into a variety of cell types
"MTD"	maximum tolerated dose, the highest dose of a drug or treatment that does not cause unacceptable side effects
"mTOR"	mammalian target of rapamycin, a kinase that regulates cell growth, cell proliferation, cell motility, cell survival, protein synthesis, autophagy, and transcription
"NF-κB"	nuclear factor kappa-light-chain-enhancer of activated B cell, a family of transcription factor protein complexes that controls transcription of DNA, cytokine production and cell survival
"NK cell"	natural killer cell, a component of the innate immune system capable of directly lysing tumor cells
"NRF2"	nuclear factor erythroid 2-related factor 2, a basic leucine zipper (bZIP) protein that may regulate the expression of antioxidant proteins that protect against oxidative damage triggered by injury and inflammation, according to preliminary research
"ORR"	objective response rate, the proportion of patients with a complete response or partial response to treatment

GLOSSARY OF TECHNICAL TERMS

"PD"	pharmacodynamics, the study of how a drug affects an organism, which, together with pharmacokinetics, influences dosing, benefit, and adverse effects of the drug
"PD-1"	programmed cell death protein 1
"PD-L1"	programmed death-ligand 1
"PI3K"	phosphatidylinositol 3-kinase, a family of enzymes involved in cellular functions such as cell growth, proliferation, differentiation, motility, survival and intracellular trafficking, which in turn are involved in cancer
"PIP2"	phosphatidylinositol 4,5-bisphosphate, a minor phospholipid component of cell membranes
"PK"	pharmacokinetic
"PPARG"	peroxisome proliferator-activated receptor gamma, a type II nuclear receptor functioning as a transcription factor
"QD"	once-daily administration
"QT interval"	the time from the start of the Q wave to the end of the T wave, time taken for ventricular depolarisation and repolarisation
"RP2D"	recommended Phase II dose
"SLE"	systemic lupus erythematosus
"small molecule inhibitor"	a low-molecular-weight compound designed to modulate the activity of a target protein
"SOC"	standard of care
"SRC"	Src kinase family
"SYK"	spleen tyrosine kinase
"T cell"	a lymphocyte produced or processed by the thymus gland, actively participating in the immune response and playing a central role in cell-mediated immunity
"TEC"	Tyrosine-protein kinase Tec, a tyrosine kinase that in humans is encoded by the TEC gene
"TNF"	tumor necrosis factor, a chemical messenger produced by the immune system that induces inflammation

FORWARD-LOOKING STATEMENTS

This document contains, and the documents incorporated by reference herein may contain, forward-looking statements representing our goals, beliefs, expectations, intentions or predictions for the future. These forward-looking statements are contained principally in "Summary," "Risk Factors," "Industry Overview," "Business," "Financial Information" and "Future Plans and Use of [**REDACTED**]." Forward-looking statements typically can be identified by the use of words such as "aim," "anticipate," "aspire," "believe," "continue," "could," "estimate," "expect," "forecast," "goals," "intend," "may," "objective," "ought to," "outlook," "plan," "potential," "project," "schedules," "seek," "should," "target," "vision," "will," "would" and other similar terms. Forward-looking statements reflect the current views of the Directors 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 those listed in "Risk Factors," which are beyond our control and may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Our forward-looking statements have been based on assumptions and factors concerning future events that may prove to be inaccurate. Those assumptions and factors are based on information currently available to us about the businesses that we operate. The risks, uncertainties and other factors, many of which are beyond our control, that could influence actual results include, but are not limited to: • our operations and business prospects; • our business and operating strategies and our ability to implement such strategies; • our future business development, financial condition and results of operations; • our ability to develop and manage our operations and business; • our ability to control costs and expenses; • our capital expenditure plan; • our expectations regarding demand for and market acceptance of our products and services; • our expectations regarding our relationships with customers, suppliers and other partners to conduct our business; • our planned use of [**REDACTED**]; • future developments, trends and competitive landscape in the industries and markets in which we operate or plan to operate; • relevant government policies and regulations relating to our industry; and • capital market developments.

By their nature, certain disclosures relating to these and other risks are only estimates. Should one or more of these risks or uncertainties, among others, materialize, or should the underlying assumptions prove to be incorrect, actual results may vary materially from those estimated, anticipated or projected, as well as from historical results. Accordingly, you should not place undue reliance on any forward-looking statements.

Any forward-looking statement speaks only as of the date on which such statement is made. Except as required by applicable laws, rules and regulations, including the Listing Rules, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. Statements of, or references to, our intentions or those of any of the Directors are made as of the date of this document. Any such intentions may change in light of future developments.

All forward-looking statements in this document are expressly qualified by reference to this cautionary statement.

An [**REDACTED**] *in our Shares involves various risks. You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an* [**REDACTED**] *in our Shares. The occurrence of any of the following events could materially and adversely affect our business, financial condition, results of operations or prospects. If any of these events occurs, the* [**REDACTED**] *of our Shares could decline and you may lose all or part of your* [**REDACTED**]. *You should seek professional advice from your relevant advisers regarding your prospective* [**REDACTED**] *in the context of your particular circumstances.*

KEY RISKS RELATING TO OUR BUSINESS, BUSINESS OPERATIONS, INTELLECTUAL PROPERTY RIGHTS AND FINANCIAL PROSPECTS

We depend substantially on the success of our drug candidates. If we are unable to successfully complete development, obtain regulatory approval and commercialize our drug candidates, or if we experience significant delays in doing any of the foregoing, our business, financial condition, results of operations and prospects will be materially harmed.

As of the Latest Practicable Date, most of our drug candidates were at various stages of preclinical and clinical development. We have devoted, and expect to continue to devote, substantial efforts and financial resources to the development and commercialization of our existing and future drug candidates. The success of our drug candidates is subject to numerous factors, including but not limited to the successful completion of preclinical studies and clinical trials, the timely receipt of regulatory approvals, and the successful commercial launch of our drug candidates, if and when approved. As innovative and increasingly complex therapeutic modalities continue to emerge, our proprietary platforms may encounter unforeseen scientific, technical or regulatory challenges during development. Certain of our drug candidates represent innovative therapeutic approaches as compared to more established modalities and, given their differentiated features, may involve inherent development risks that could lead to delays and cost overruns in clinical development, regulatory approval or commercialization. In particular, bezacitinib, our Core Product, is a selective JAK2 inhibitor for MPNs, including MF, PV and ET. Although bezacitinib has been approved for the treatment of MF by the NMPA and we expect to submit NDA of bezacitinib for PV in the third quarter of 2026, such regulatory progress may not be indicative of the likelihood or timing of regulatory approval of bezacitinib for ET, as ET is a distinct indication with different clinical characteristics, treatment objectives, endpoint considerations and benefit-risk assessment requirements. As of the Latest Practicable Date, only one JAK inhibitor had been approved for the treatment of PV in overseas markets and was not marketed in China, and no JAK inhibitor drug had been approved for the treatment of ET either in overseas markets or in China. The regulatory review of bezacitinib for ET may involve additional uncertainty. In particular, the NMPA may not consider the efficacy and safety data generated from our clinical trials of bezacitinib for ET to be sufficient to support NDA approval. For example, the NMPA may disagree with our clinical trial design, choice of control arm, patient population, sample size, treatment duration, statistical analysis plan or clinical endpoints, or may require longer-term safety follow-up, additional subgroup analyses, or further evidence supporting the overall benefit-risk profile of bezacitinib in ET. Any of the foregoing may result in delay in NDA submission or review, additional research and development costs, a narrower approved indication or label, post-marketing study requirements, or rejection of our NDA for bezacitinib for ET, if submitted. We have implemented or plan to implement certain measures to address these regulatory risks, including extending patient follow-up, accumulating safety data from more than three years of treatment exposure, adopting a positive comparator recommended by applicable clinical guidelines and engaging in communications with the CDE in advance. However, these measures may not fully address the concerns of the NMPA, and there can be no assurance that the NMPA will agree with our clinical development strategy, accept our clinical data package, or approve bezacitinib for ET in accordance with our expected timeline or at all. In addition, the introduction of our drug candidates may require substantial education and training of patients and medical professionals, potentially increasing our sales and marketing expenses and

adversely affecting future profitability. Considering the potentially significant efforts required to promote our drug candidates, we may not be able to generate meaningful economic returns, which could materially and adversely affect our competitive position, business, financial condition and results of operations.

If clinical trials of our drug candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, we may incur additional costs or experience delays in completing, or may ultimately be unable to complete, the development and commercialization of our drug candidates.

If the results of our clinical trials are negative, only modestly positive, or raise safety concerns, we may, among others: (i) be subject to substantial liabilities; (ii) experience delays in, or be prevented from, obtaining regulatory approvals for our drug candidates; and (iii) obtain approvals for narrower indications than intended. Any of these events could materially and adversely affect our ability to commercialize our products and generate revenue. A key risk we face is the potential delay or failure in obtaining marketing approval for our drug candidates if the results of our ongoing or future preclinical studies or clinical trials are inconclusive as to safety or efficacy, if we fail to meet clinical endpoints with statistical and clinically meaningful significance, or if safety concerns arise during development.

Adverse events caused by our drug candidates could interrupt, delay or halt clinical trials, delay or prevent regulatory approval, limit the commercial profile of an approved drug, or result in significant negative consequences following any regulatory approval.

Undesirable adverse events caused by our drug candidates could cause us or regulatory authorities to interrupt, delay or suspend clinical trials, and may result in more restrictive product labelling, delays or denials of regulatory approvals by the regulatory authorities, or significant modifications to our clinical protocols or development plans. If our clinical trial results reveal a high or unacceptable severity or prevalence of such adverse events or side effects, our trials could be suspended or terminated. Regulatory authorities may order us to cease further development of, or deny approval of, our drug candidates for one or more targeted indications. In such circumstances, we may be required to abandon development altogether or limit development to narrower patient populations in which the undesirable effects are less prevalent, less severe or more acceptable from a risk-benefit perspective. Treatment-related side effects may also hinder patient recruitment or retention, or result in potential product liability claims. Any of these events could materially and adversely affect our business, financial condition and prospects. In addition, the laws and regulations governing clinical trials are evolving rapidly, and the interpretation and enforcement of such laws and regulations may create additional uncertainties for our drug development process. If further studies reveal unacceptable toxicity profiles or unforeseen safety risks, regulatory authorities may impose new restrictions, suspend ongoing studies, or require significant amendments to our trial design. Any of these events could prevent us or our collaboration partners from achieving or maintaining market acceptance of our drug candidates and could materially and adversely affect our business, financial condition, results of operations and prospects.

We face substantial competition and our competitors may discover, develop or commercialize competing drugs faster or more successfully than we do.

We continue to face competition in respect of our existing drug candidates as well as any candidates we may develop or commercialize in the future. In recent years, competition in therapeutics for cancer and autoimmune has intensified, with large pharmaceutical companies leading development efforts and biotechnology companies achieving frequent breakthroughs. Potential competitors also include academic institutions, governmental authorities and other public or private research organizations engaged in the research, development, manufacturing and commercialization of innovative drugs. Ongoing collaborations, mergers and acquisitions within the biopharmaceutical industry may further concentrate resources among our competitors.

Consequently, our competitors may be able to advance their drug candidates through development and regulatory approval more rapidly than we can and may be more effective in marketing and selling their products. Even if we successfully develop and obtain regulatory approval for our drug candidates from the regulatory authorities, they may still face competition in various aspects, including safety and efficacy profiles, timing and scope of regulatory approval, availability and cost of supply, sales and marketing capabilities, pricing and patent protection. Furthermore, our competitors may develop, acquire or in-license, on an exclusive basis, products that are more effective or less costly than any drug candidate we may develop, or they may obtain earlier patent protection, regulatory approval, commercialization and market penetration. There can be no assurance that we will be able to compete effectively or successfully commercialize our drug candidates in such a rapidly evolving landscape.

We may not be able to successfully create or increase market awareness of our drugs or sell our products, which will materially affect our ability to generate sales revenue.

Our financial performance depends on the successful launch and commercialization of our clinical-stage and preclinical-stage drug candidates. As most of our drug candidates remain in the development stage, we have limited experience launching, marketing and selling an approved drug at commercial scale. The successful commercialization of approved drugs may involve greater inherent risks, take longer, and incur higher costs than would be the case for a company with prior experience in launching and marketing approved products. There can be no assurance that we will be able to develop and successfully maintain in-house sales and distribution capabilities sufficient to effectively commercialize any of our drug candidates, if and when approved, and as a result, we may fail to generate sales revenue as planned. We may also seek to establish collaborative arrangements with third parties for the commercialization of approved drugs. However, there can be no assurance that we will be able to establish or maintain such collaborative arrangements, or that such arrangements, if established, will provide effective sales and marketing support.

We have incurred net losses during the Track Record Period and anticipate that that we will continue to incur net losses for the foreseeable future and may not be able to achieve or maintain profitability.

Investment in the development of biopharmaceutical products is inherently uncertain and involves substantial upfront expenditures. We have incurred net losses of RMB88.4 million, RMB298.5 million, RMB33.3 million and RMB80.2 million in 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. During the Track Record Period, our net losses were primarily attributable to (i) our significant investments in R&D activities for the development of our drug candidates and technology platforms, (ii) changes in fair value of redemption liabilities on equity shares, and (iii) increasing administrative expenses associated with the expansion of our business. See "Financial Information — Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income" for details. Our ability to generate revenue and achieve profitability depends significantly on our success in advancing our drug candidates into later stages of clinical development and obtaining regulatory approvals, which may not occur on a timely basis, or at all. We expect to continue to incur net losses for the foreseeable future, and the magnitude of such losses may increase as we continue, among others, our ongoing and planned R&D activities and to scaling up our business to support our R&D, clinical and potential commercialization activities. If any of our drug candidates fail in clinical development, are not approved by regulators, or, even if approved, fail to achieve market acceptance, we may never achieve profitability. Even if we become profitable, we may not be able to sustain profitability in subsequent periods. Our historical and expected future losses have had, and will continue to have, a material adverse effect on our business, financial condition and results of operations.

If we are unable to obtain and maintain adequate intellectual property protection for our drug candidates throughout the world, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties could develop and commercialize drug candidates and technologies similar or identical to ours and compete directly against us. Our current or any future patents may be challenged and invalidated even after issuance.

Our success depends substantially on our ability to protect our small-molecule drug discovery and evaluation platform and drug candidates from competition by obtaining, maintaining, defending and enforcing our intellectual property rights, including patent rights. The patent prosecution process is expensive, time-consuming and complex. We may not be able to file, prosecute, maintain, defend, enforce or license all necessary or desirable patents at a reasonable cost or within a reasonable timeframe in all desired jurisdictions to prevent competitors from developing or commercializing competing products in certain fields or markets. Patentability requirements differ across jurisdictions. Many countries have compulsory licensing laws that may compel a patent holder to grant licenses to third parties, or limit the enforceability of patents against government agencies or contractors, which could reduce the value of our patents and materially impaired our competitive position. Patents may be invalidated or denied for numerous reasons, including known or unknown prior art, deficiencies in the patent application, or a lack of novelty in the underlying invention or technology. We cannot assure you that all of our pending patent applications will be granted. It is also possible that we may fail to identify patentable aspects of our research and development output in time to obtain protection. Individuals or entities who have access to confidential or potentially patentable aspects of our R&D, such as employees and collaborators may breach their obligations and disclose such information before a patent application is filed, jeopardizing our ability to obtain protection. In addition, publications of discoveries in scientific literature often lag behind the actual discoveries, and we cannot be certain that we were the first to make the inventions claimed in our patents or pending applications, or that we were the first to file for patent protection of such inventions.

The issuance of a patent does not guarantee its validity, enforceability or scope. Our patents may be challenged before courts or patent offices in China, the United States, Europe or other jurisdictions. Adverse determinations in any such proceedings could narrow or invalidate our patents, permit third parties to commercialize similar technologies or products without compensating us, and materially reduce the scope of our protection. Our competitors may also circumvent our patents by developing similar or alternative technologies that do not infringe our claims. We may not obtain patents in certain jurisdictions, or may be unable to prevent third parties from using our inventions or importing infringing products into our target markets. Competitors may use our technologies in jurisdictions where we lack patent protection to develop their own products and export them to markets where enforcement is weaker, thereby competing directly with us. Our patent rights may not be effective or sufficient to prevent such competition. In addition, we may face difficulties stopping infringement or misappropriation of our patents or trade secrets, or preventing the marketing of competing products in violation of our rights. Proceedings to enforce our patents or other intellectual property rights in foreign jurisdictions could result in substantial costs, divert management and technical resources, expose our patents to challenges of validity or enforceability, and may provoke counterclaims. We may not prevail in such proceedings, and any damages or remedies obtained may be inadequate. Any of the foregoing factors could materially and adversely affect our competitive position, business, financial condition, results of operations and prospects.

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

Clinical trials are costly, complex to design and implement, and often require years to complete, with inherent uncertainty regarding the outcome and risks of failure at any stage of development. Drug candidates that show promising safety or efficacy data in early trials may subsequently fail to meet the desired endpoints in later stages, even when such studies are rigorously designed and executed. Clinical outcomes may also vary significantly among different

trials of the same drug candidate due to multiple factors, including but not limited to differences in individual patient conditions (such as genetic background), the use of concomitant medications, and pre-existing medical conditions. Changes to any aspect of the development program carry inherent risks that they may not achieve the intended outcomes and could instead adversely affect the consistency, comparability, or results of clinical trials. Any delay, disruption, or modification in the completion of our clinical trials may increase development costs, prolong the regulatory approval process, and delay the launch or commercialization of our drug candidates. Such occurrences could materially and adversely affect our business, financial condition and prospects.

The manufacturing of biopharmaceutical products is a complex process, and we may face difficulties in manufacturing biopharmaceutical products on a large commercial scale.

Our experience in manufacturing biopharmaceutical products at a commercial scale remains limited. Manufacturing such products is complex, partly because of stringent regulatory requirements. We cannot assure you that we will not encounter manufacturing issues for our drug candidates in the future. In addition, we face certain risks related to the CDMOs we engage for manufacturing activities. See "— Risks Relating to Our Reliance on Third Parties — We may rely on third parties to manufacture our drug products for clinical development and commercial sales. If these third-party manufacturers fail to deliver sufficient quantities of products or fail to do so at acceptable quality levels or prices, our business could be harmed." Various factors may cause issues during manufacturing, including but not limited to: (i) equipment malfunction, (ii) failure to follow specific protocols and procedures, and (iii) problems with raw materials, in which case we may need to discard a batch or several related batches of certain future products, which could lead to production delays, higher costs, lost revenue, or even product recalls and product liabilities, and harm to our customer relationships and reputation.

We may need to obtain additional financing to fund our operations. If we are unable to obtain sufficient financing on terms acceptable to us or at all, we may be unable to complete the development and commercialization of our drug candidates.

Since our inception, our operations have consumed significant amounts of cash to complete clinical development, regulatory review, manufacturing, marketing, and launch before they can generate product sales revenue. We will need to continue investing heavily in the development and commercialization of our pipeline products. Our future funding needs will depend on numerous factors, including but not limited to the progress, timing, scope, and costs of our clinical trials, the outcome, timing, and costs of obtaining regulatory approvals for our drug candidates, and the manufacturing requirements and capabilities necessary for clinical development and future commercialization of any approved drug candidates. We expect to fund future operations primarily with [**REDACTED**] from the [**REDACTED**], bank loans and cash generated from our operations after the commercialization of our drug candidates. We may need to raise additional capital to finance our operations. If we cannot obtain adequate financing on acceptable terms or at all, we may have to delay, limit, reduce, or terminate our research and development programs or future commercialization efforts.

RISKS RELATING TO THE DEVELOPMENT OF OUR DRUG CANDIDATES

We may be unable to discover or develop new drug candidates, or to identify additional therapeutic opportunities for our drug candidates to maintain or expand our product pipeline.

We may not succeed in discovering or developing new drug candidates or in advancing our technologies. We have engaged, and may continue to engage, in collaborations with third parties to discover and develop potential drug candidates, but we cannot guarantee that such collaborations will achieve their intended outcomes. We may also 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. Our research or licensing activities may not identify, discover, or in-license new drug candidates for

clinical development and commercialization for various reasons, including but not limited to that our research methodology may fail or that further studies may reveal that potential drug candidates cause adverse effects. As a result, we cannot assure you that we will successfully advance our technologies, discover and develop new drug candidates, or identify additional therapeutic opportunities for our existing ones. Any failure to do so could materially and adversely affect our future growth and business prospects.

If we encounter difficulties in enrolling subjects in our clinical trials, our clinical development activities could be delayed or otherwise adversely affected.

Failure to recruit enough subjects who meet the criteria specified in the protocol could cause significant delays in our clinical trials. Subject enrollment in our clinical trials may be influenced by various factors, including but not limited to the overall size and characteristics of the relevant patient population, the design and eligibility criteria of the specific clinical trial, and competition of our competitors conducting clinical trials for drug candidates targeting the same indications as ours. In addition, delays in enrollment may increase our costs or affect the timing or outcome of the planned clinical trials, which could in turn postpone or prevent the completion of these trials and adversely affect our ability to advance the development of our drug candidates.

The data and information we gather or otherwise rely on in our research and development process could be inaccurate or incomplete, which could harm our trial results, reputation and prospects.

Because data in the healthcare industry originates from fragmented sources, varies in format, and is often incomplete, the overall quality of data we collect or access is frequently subject to challenge, the degree or amount of data which is knowingly or unknowingly absent or omitted can be material, and data issues and errors are frequently discovered. If we make mistakes in capturing, inputting, or analyzing data, our ability to advance the development of our drug candidates could be materially harmed, and our business, prospects, and reputation could suffer. If any authority determines that we stored, handled, submitted, delivered, or displayed health information or other data in a wrongful or erroneous manner, we could be exposed to liability. In addition, if any preclinical or clinical data generated by our collaborators contains inaccuracies, mistakes, or omissions, our clinical development activities could be adversely affected as a result.

We invest substantial human and capital resources in research and development in order to develop our drug candidates and enhance our technologies, but we cannot guarantee that such efforts will lead to successful outcomes.

The global biopharmaceutical market evolves constantly, and we strive to keep pace with emerging technologies and methodologies to maintain our competitive position. In 2024 and 2025 and the six months ended June 30, 2025 and 2026, we incurred research and development costs of RMB64.5 million, RMB86.5 million, RMB34.1 million and RMB44.0 million, respectively. We plan to continue strengthening our technical capabilities in drug discovery, development and manufacturing, which require significant capital investment and time commitment, but we cannot assure you that such efforts may succeed. Even if we introduce such products, we cannot guarantee that they will achieve market acceptance. Any failure to do so could render our techniques obsolete and harm our business and prospects.

We may be unable to successfully develop or market our drug candidates or may experience significant regulatory delays, if safety, efficacy or other issues arise from any of our drug candidates or from any pharmaceutical product or medical treatment used, or intended to be used, in combination with our drug candidates.

We may develop our drug candidates in combination with other drugs in the future. If the regulatory authorities revokes its approval of the treatments or drugs that we intend to use in combination with our drug candidates or if safety or efficacy issues arise, we may be unable to

develop or market our drug candidates as combination therapies as planned. In addition, manufacturing or other issues that cause a supply shortage of any drugs used in combination with our drug candidates may prevent us from completing the clinical development of such combination therapies on our current timeline, within our current budget, or at all. As a result, the clinical development of our drug candidates may be delayed or disrupted, or future demand for our drugs may decline, which could materially and adversely affect our business, financial condition, results of operations and prospects.

RISKS RELATING TO THE MANUFACTURING AND COMMERCIALIZATION OF OUR DRUG CANDIDATES

We may not be able to maintain effective quality control over our drug products.

The effectiveness of our quality control and quality assurance systems rely on factors such as the production processes, the quality and reliability of the equipment we use, the capabilities of the CDMOs we engage, and our ability to ensure that they comply with our quality control and quality assurance protocols. We cannot assure you that our quality control and quality assurance procedures will consistently prevent or resolve deviations from our quality standards, or that our standard operating procedures will always remain complete or up to date. Any significant failure or deterioration in our quality control or quality assurance protocols, or in our standard operating procedures, could render our products unsuitable for use, create gaps in process audits, and harm our market reputation and relationships with business partners.

Our drug candidates, once approved, may fail to achieve the degree of market acceptance by physicians, hospitals, patients, third-party payers and others in the medical community that would be necessary for their commercial success, and the actual market size of our drug candidates might be smaller than expected.

Even if our drug candidates obtain regulatory approval, they may still fail to gain sufficient acceptance from physicians, patients, third-party payers and others in the medical community who may prefer other products to ours. If our drug candidates do not achieve adequate market acceptance, we may fail to generate significant product sales revenue and may not become profitable. The degree of market acceptance of our drug candidates, if approved for commercial sale, will depend on various factors, including but not limited to the clinical indications for which our drug candidates receive approval and the potential and perceived advantages of our drug candidates over alternative treatments. Even if our future approved drug candidates gain market acceptance, we may be unable to sustain such acceptance over time if new products or technologies emerge that are more favorably received, more cost-effective, or render our drug candidates obsolete. Failure to achieve or maintain market acceptance for our approved drug candidates would materially and adversely affect our business, financial condition, results of operations and prospects.

The construction or leasing of our production facilities may not be as successful as we have planned. If we fail to increase our production capacity in response to the increasing demand of our customers, our business prospects could be adversely affected.

We have adopted a phased approach to the commercial manufacturing of our drug candidates to ensure our ability to meet market demand following potential launch and to secure a stable and uninterrupted supply. In the near term, we expect to continue our cooperation with our collaborated CDMOs for the initial commercial-scale manufacturing and supply of our drug candidates. The completion of the manufacturing facilities is subject to ongoing compliance with applicable laws and regulations, including, but not limited to, urban planning, construction, environmental protection, and safety requirements. In addition, the availability, handover condition, and timeline of such facilities depend on the performance of the property owners, lessors or previous occupants, which are factors beyond our control. We cannot assure you that the construction or leasing will be completed on schedule, within budget, or in accordance with our planned specifications due to a

number of factors, some of which are beyond our control. Cost overruns or delays in construction could require us to raise additional funds from other sources. Any of the foregoing could have a material and adverse effect on our business operations, financial condition and results of operations.

Even after the facilities are completed, we may be unable to fully utilize the production capacity in line with our expectations. In addition, we will be subject to continuous regulatory review and inspection to assess our compliance with GMP requirements and our adherence to commitments made in NDAs, other marketing applications, and responses to prior inspection observations. We cannot assure you that we will consistently and adequately follow or document our adherence to applicable GMP or other regulatory requirements. Any failure to comply may result in material delays in the availability of our products for clinical or, in the future, commercial use, suspension or termination of clinical trials, or delay or prevention of marketing application filings or approvals for our drug candidates. Non-compliance could also subject us to sanctions, including fines, injunctions, civil penalties, suspension of clinical trials, refusal to grant marketing approvals, delay, suspension or withdrawal of approvals, supply disruptions, license revocations, product seizures or recalls, operating restrictions, or even criminal prosecution. Any of these events could materially and adversely affect our business, financial condition, results of operations and prospects.

We intend to work with third parties for the commercialization of our drug candidates. We may fail to identify competent third parties for such purposes, fail to achieve the expected synergies with the clinical development partners, and have little or no control over the marketing and sales efforts of the commercialization partners.

We may pursue collaborative arrangements for the commercialization of our drug candidates in China. However, we may have limited control over their marketing and sales activities beyond the contractual terms, and actual revenue generated may be lower than anticipated. Competition for suitable third-party commercialization partners may further limit our ability to establish or maintain such arrangements on favorable terms or within the desired timeframe, which could adversely affect our ability to generate product revenue. Revenue and cost synergies from such collaborations are inherently uncertain and subject to significant business, economic and competitive risks, many of which are beyond our control. Even if expected benefits are realized, they may not occur within the anticipated timeframe and may be offset by additional costs, operating losses, or unrelated business challenges. Disputes with collaborators could arise, potentially delaying or terminating commercialization, or resulting in costly litigation or arbitration that diverts management attention and resources. There can be no assurance that collaborations will achieve the anticipated benefits or that we will generate expected revenues from such arrangements.

Counterfeit biopharmaceutical products and the illegal and/or parallel import of competing drugs may reduce demand for our drug candidates and compromise reputation, which could adversely affect our business.

Unauthorized imports or counterfeit versions of our future approved products may adversely affect the demand for our future approved drug candidates and, in turn, our sales and profitability in the PRC and other markets where we commercialize our products. In addition, cross-border imports from lower-priced to higher-priced markets could harm sales of our future products and exert downward pressure on pricing. Furthermore, competent authorities may expand consumers' ability to import lower-priced biosimilar or competing products from outside China or other countries in which we operate, conduct clinical trials, or perform contractual obligations, which could have a material adverse effect on our business, financial condition, results of operations and prospects. Governmental authorities may not be able to timely detect or prevent counterfeit products imitating ours. As counterfeit products often resemble genuine products but are sold at lower prices, their circulation could reduce demand for our future approved products. Counterfeit pharmaceutical products are unlikely to meet our or our collaborators' manufacturing and testing standards and may even cause harm to patients. Any occurrence of counterfeit versions of our products could materially and adversely affect our reputation, brand value, and overall business performance.

Negative results from off-label use of our future marketed drug products could materially harm our business reputation, product brand and financial condition and expose us to liability.

Our products may be prescribed in patient populations, dosages or dosage forms that have not been approved, which may raise potential risks relating to insufficient safety and efficacy data, regulatory compliance, reimbursement, and post-market monitoring. Off-label use could also render our products less effective or cause unexpected adverse drug reactions or events, leading to negative publicity or reputational harm, which may expose us to liability, delay our clinical development, or adversely affect the prospects of obtaining or maintaining regulatory approval for our drug candidates.

Even if we are able to commercialize our drug candidates, we may face uncertainties from national, provincial or other third-party drug reimbursement practices and unfavorable drug pricing policies or regulations, which could harm our business.

The regulatory frameworks governing approval, pricing and reimbursement of new therapeutic products vary significantly across jurisdictions. We intend to seek marketing approvals for our drug candidates primarily in China, where the pricing of drugs and biologics is subject to lengthy procedures even after regulatory approval is obtained. In China, the inclusion or exclusion from the NRDL materially affects market demand for a pharmaceutical product in China. There is no assurance that any of our future approved drug candidates will be included in the NRDL. Furthermore, continued reforms in China's pharmaceutical sector may lead to additional pricing or reimbursement measures that could adversely impact our pricing strategy and revenue. There can be no assurance that reimbursement will be available for any of our approved drug candidates or, if available, that it will be at levels sufficient to support their commercialization. There may be significant delays in obtaining reimbursement for approved drug candidates, and coverage may be more limited than the purposes for which the drug candidates are approved by the regulatory authorities. Moreover, eligibility for reimbursement does not imply that any drug will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution. Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payers. Our inability to secure or maintain adequate coverage and reimbursement from government and private payers in a timely manner, or at commercially reasonable levels, could materially and adversely affect our business, results of operations and financial condition.

RISKS RELATING TO OUR INTELLECTUAL PROPERTY RIGHTS

We have entered into or may enter into technology transfer agreements or license and collaboration agreements with certain third parties. We may not realize any or all benefits of such technology transfers, alliances or licensing arrangements, and disputes may arise between us and our collaboration partners.

Historically, we have entered into technology transfer agreements with select third parties, encompassing both the acquisition and assignment of patent rights, which could expose us to a range of risks and uncertainties such as challenges in verifying the validity, enforceability, and scope of the acquired patents, and existing disputes, encumbrances, or third-party claims, if any. When assigning our patent rights to third parties, we may be subject to representations and warranties as well as certain obligations related to the transferred patents, as well as disputes regarding the interpretation of contractual terms or the scope of rights transferred. There can be no assurance that our technology transfer activities will achieve the intended strategic or financial objectives, and any adverse outcome could have a material adverse effect on our business, financial condition, and results of operations. Furthermore, we face significant competition in seeking appropriate strategic partners with whom to collaborate on the development of our drug candidates, and the negotiation process is time-consuming and complex and may not always be successful because, among other reasons, they may be deemed to be at too early a stage of development for

collaborative efforts. If and when we collaborate with a third party for the development and commercialization of a drug candidate, we may also relinquish some or all control over the future success of that drug candidate to the third party, or be restricted under existing license agreements from entering into agreements on certain terms, or at all, with potential collaborators. Collaborations involving our drug candidates are subject to specific risks, which include, but are not limited to, collaborators' significant discretion in determining the efforts and resources that they will apply to a collaboration and short notice before termination of the collaboration and licensing agreements, which all fall out of our control.

If we are unable to reach agreements with suitable collaborators on a timely basis, on acceptable terms, or at all, we may have to curtail the development of a drug candidate, reduce or delay its development program or one or more of our other development programs, delay its potential commercialization or reduce the scope of any sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense. If we select to fund and undertake development or commercialization activities independently, we may need to obtain additional expertise and capital, which may not be available to us on acceptable terms or at all. Either outcome could adversely affect our business, financial condition, results of operations and prospects. In addition, potential license agreements with third parties providing us with rights to various intellectual properties may impose diligence obligations in development or commercialization of the licensed intellectual properties, among others, on us. If we fail to comply with our obligations under license agreements, our counterparties may have the right to terminate these agreements, in which event we might not be able to develop, manufacture or market any drug or drug candidate that is covered by the licenses provided for under these agreements or we may face claims for monetary damages or other penalties under these agreements. Moreover, if our licensors fail to fully perform their obligations or meet our expectations under such in-licensing agreements or terminate their relationship with us, we may be unable to successfully develop and commercialize the affected drug candidates, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may become involved in lawsuits to protect or enforce our intellectual property, or to defend against third-party claims, which could be expensive, time-consuming and unsuccessful.

Litigation and other proceedings related to such claims can be costly and time-consuming and prompt these parties to file counterclaims against us, alleging that we infringe, misappropriate or otherwise violate their intellectual property rights. Some of our confidential information could be compromised through disclosure during such proceedings due to the extensive discovery process. An adverse outcome in any such litigation could expose our patents and any future patents granted from our pending applications to risks of being invalidated, held unenforceable, or narrowly interpreted. Therefore, even if we ultimately prevail or reach an early settlement, such litigation could still impose substantial and unexpected costs on us. Moreover, we may not always be able to detect infringement of our patents timely or at all. Even when we do detect infringement by a third party, we may decide not to pursue litigation or settlement immediately. We may also face claims from former employees, collaboration partners or other third parties asserting an interest in our owned, out-licensed or in-licensed patents, patent applications, trade secrets or other intellectual property as inventors or co-inventors. Irrespective the outcome of such claims, the associated litigation could still result in substantial costs, distract management and other employees and loss of our valuable intellectual property rights. Any of these developments could have a material adverse effect on our competitive position, business, financial condition, results of operations and prospects.

Issued patents covering one or more of our drug candidates or technologies could be found invalid or unenforceable if challenged in court or administrative proceedings, potentially harming our competitive position.

Our intellectual property rights may be challenged or invalidated. The outcome of any legal challenge to validity or enforceability remains inherently unpredictable. Even if a defendant does not prevail on such legal assertions, the court may interpret our patent claims in a way that limits our ability to enforce them against that defendant or others, which could discourage potential partners from entering into collaborations with us to license, develop, or commercialize our current or future drug candidates. Moreover, even if infringement is established, the court may not provide an adequate remedy. Any loss or diminishment of patent protection could have a material adverse effect on one or more of our drug candidates and our overall business.

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

The patent authorities require compliance with numerous procedural, documentary, fee payment and related formalities during the patent application and maintenance process. There are instances where non-compliance could result in a partial or complete loss of patent rights in the relevant jurisdiction. Should any of these events occur, our competitors may be able to enter the market with similar products, which could have a material adverse effect on our business.

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

Depending on the jurisdiction, various extensions may be available, but the life of a patent, and the protection it affords, is limited. Once the patent life has expired, we may be exposed to competition from other medications, including biosimilar products, thus not be able to develop or market the relevant product exclusively. 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 commercialization. As a result, our owned and in-licensed patents and patent applications may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours.

Changes in patent and other intellectual property laws of China, the United States or other jurisdictions could diminish the value of patents in general, thereby impairing our ability to protect our drug candidates and future drugs.

Changes in patent laws or their interpretation in China, the United States or other jurisdictions may increase the uncertainties and costs associated with patent prosecution, reduce our ability to protect our inventions, or affect our capacity to obtain, maintain, defend and enforce our intellectual property rights, or even diminish the value of our intellectual property or narrow the scope of our patent rights. In China, intellectual property laws are continuously evolving, with ongoing efforts to strengthen intellectual property protection. For details, see "Regulatory Overview — Overview of Laws and Regulations in the PRC — Other Significant PRC Regulations Affecting Our Business Activities in the PRC — Laws and Regulations Related to Intellectual Property Rights." If we are required to delay the commercialization of our drug candidates due to ongoing patent extension or exclusivity disputes, including conflicts with third parties regarding the scope or duration of patent protection, such delays may allow competitors to launch new or more advanced therapies, potentially rendering our drug candidates less competitive or obsolete. In addition to creating uncertainty regarding our ability to obtain patents in the future, these developments have also generated uncertainty as to the value of patents once obtained. Similar legal in foreign jurisdictions

may also affect the value of our patent rights or other intellectual property rights. Any of the foregoing could have a material adverse effect on our patent rights and our ability to protect, defend and enforce such rights in the future, as well as on our competitive position, business, financial condition, results of operations and prospects.

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

We seek to safeguard our trade secrets and confidential information by entering into non-disclosure and confidentiality agreements with those who have access to them, but may not be able to catch every unauthorized disclosure or use timely or at all, or guarantee that we have entered into such agreements with every party that currently has, or previously had, access to our trade secrets or proprietary technology and processes. Consequently, we could lose valuable trade secrets, and third parties could use this information to compete with our drug candidates and technology. Enforcing a claim that a party has illegally disclosed or misappropriated a trade secret can be complex, costly and time-consuming, with unpredictable outcomes. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other third party, we would have no right to prevent their use of such technology or information, which would harm our competitive position. Furthermore, we may also be subject to claims that we or our employees, consultants or advisors have used or disclosed intellectual property, including trade secrets or other proprietary information, of their current or former employers. Irrespective the outcome of defending such claims, litigation could still result in substantial costs and distract our employees and management from their responsibilities. We may not always succeed in obtaining such agreements, and the assignment of intellectual property rights may not be self-executing, or the agreements may be breached. Individuals executing agreements with us may also have pre-existing or competing obligations to third parties, which could render our agreements ineffective in securing ownership of inventions developed by those individuals. Irrespective the outcome of such proceedings, the resulting litigation could be costly and divert the attention of our management and scientific personnel. Moreover, our commercial success depends partially on our ability to avoid infringing, misappropriating, or otherwise violating the intellectual property rights of third parties. However, our efforts to identify and avoid infringing on third parties' intellectual property rights may not always be successful, and would be expensive and time-consuming.

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 cannot assure you that any of our pending trademark applications or any applications we may file in the future will ultimately be approved. During the trademark registration process, we may receive rejections, and we may not be able to overcome such rejections. In addition, in proceedings before the patent agencies in other jurisdictions, third parties may oppose our pending trademark applications or seek to cancel our registered trademarks, and our trademarks may not survive such proceedings, in which case we may be required to change our brand names, which could materially and adversely affect our business. We may not be able to protect our rights to these trademarks and trade names in potential challenging proceedings, which are essential for building name recognition among potential partners or customers in our target markets. Moreover, as our products mature, our reliance on our trademarks to distinguish ourselves from competitors will increase. If we are unable to prevent third parties from adopting, registering or using trademarks that infringe, dilute or otherwise violate our rights, or from engaging in conduct that constitutes unfair competition, defamation or other violations of our rights, our brand value and market presence could be materially undermined. Over the long term, if we fail to establish strong name recognition based on our trademarks and trade names, we may not be able to compete effectively, and our business could be adversely affected.

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

As intellectual property rights have inherent limitations, they do not necessarily shield us from all potential competitive threats posed by other biotechnology companies. Some of these limitations include but not limited to that other parties may be able to manufacture drugs that are similar to our drug candidates or use comparable technologies that are not covered by the patents we currently own or may in-license in the future; other parties may independently develop similar drugs through methods or means that do not technically infringe, misappropriate or otherwise violate our intellectual property rights, particularly where the scope of protection afforded by our rights is limited by the laws and regulations of certain jurisdictions or by court judgments or other legal proceedings; and our competitors may conduct research and development activities in countries where we do not hold patent rights and use the knowledge gained to develop competing drugs for sale in our major markets.

RISKS RELATING TO OUR RELIANCE ON THIRD PARTIES

We work with various third parties to develop our drug candidates, such as those who help us conduct our preclinical studies and clinical trials. If these third parties 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, and our business could be materially harmed.

We are responsible for ensuring that each of our studies is conducted in accordance with the applicable protocol, legal and regulatory requirements and scientific standards, and our collaboration with the CROs and CDMOs does not relieve us of our regulatory responsibilities. If we or any of our CROs or clinical investigators fail to comply with applicable GCP, the clinical data generated in our clinical trials may be deemed unreliable and the regulatory authorities may require us to perform additional clinical trials before approving our marketing applications, which would delay the regulatory approval process. If any of our relationships with these third-party CROs or CDMOs terminates, we may not be able to enter into arrangements with alternative CROs or CDMOs or to do so on commercially reasonable terms. In addition, we cannot control whether or not they devote sufficient time and resources to our ongoing clinical and non-clinical programs. If the quality or accuracy of the clinical data they or our clinical investigators obtain is compromised due to failure to adhere to our clinical protocols, regulatory requirements or for other reasons, our clinical trials may be extended, delayed or terminated, and we may not be able to obtain regulatory approvals for or successfully commercialize our drug candidates.

We may engage third parties to manufacture our drug products for clinical development and commercial sales. If these third-party manufacturers fail to deliver sufficient quantities of products or fail to do so at acceptable quality levels or prices, our business could be harmed.

During the Track Record Period, we outsourced certain manufacturing activities to industry-recognized CDMOs in China to support the preclinical and clinical supply of our drug candidates. See "Business — CMC and Manufacturing — Our Collaboration with CDMOs" for details. Going forward, we may continue such practice, which exposes us to certain risks, including but not limited to failure to identify suitable manufacturers as to experience, capabilities and capacity, among others, on acceptable terms, or at all, as well as their fulfillment of their contractual obligations. Each of these risks could delay or prevent the completion of our clinical trials or the approval of any of our drug candidates by the regulatory authorities, result in higher costs, or adversely impact the commercialization of our drug candidates. In addition, during the Track Record Period, we and our CDMOs relied on third parties to supply certain raw materials and products used in our research and development and clinical trials which is expected to continue in the near future. Any disruption in production, or the inability of our suppliers or the suppliers of our CDMOs to provide adequate quantities to meet our increasing needs, could impair our operations and the research and development of our drug candidates.

Our operations are dependent on the supply of certain raw materials. If the supply of raw materials decreases or the cost increases, or there are disruptions in the supply chain, our ability to conduct our business could be materially impaired and our operations could be adversely affected.

During the Track Record Period, we relied on third parties to supply certain materials and equipment for the research, development, manufacturing and commercialization of our drug products and expect to continue such practice. For details, please refer to the paragraphs headed "Business — Suppliers and Procurement" in this document. There is a risk that, if supplies are interrupted, we may not be able to find alternative suppliers in a timely and commercially reasonable manner, or at all. Moreover, our needs on a stable supply of materials may increase significantly as our pipeline drug candidates entered the late stages of clinical trials and we may enter commercial production of bezacitinib and CX1440 following their receipt of marketing approval. However, there is no assurance that current suppliers have the capacity to meet our demand. We are also exposed to the risk of increased costs, which we may not be able to pass on to customers and, as a result, lower our profitability. Additionally, our suppliers may fail to maintain adequate quality of the services, materials and equipment that we require. Any of the aforementioned could delay the completion of our clinical studies, the regulatory approval of our drug candidates, or our ability to timely meet market demand for our commercialized products, as applicable.

If our business partners fail to maintain the necessary licenses for the development, manufacturing and commercialization of our products, our business could be materially affected.

If our business partners fail to maintain or renew material permits, licenses or certificates, our ability to conduct our business could be materially impaired. Any change in the standards applied by governmental authorities when considering whether to renew or reassess our business partners' licenses, permits and certifications, as well as the enactment of new regulations that may restrict their operations, may also decrease our revenue and increase our costs, which in turn could materially and adversely affect our business, financial condition and results of operations.

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

If we are unable to develop and maintain our relationships with industry participants as anticipated, our business, financial condition and results of operations may be materially and adversely affected. These industry participants may leave their roles, change their business or practice focus, choose to no longer cooperate with us, or cooperate with our competitors instead. Even if they continue to cooperate with us, their market insights and perceptions, which we take into account in our research and development process, may be inaccurate and lead us to develop products that do not have significant market potential. Even if their insights and perceptions are correct, we may fail to develop commercially viable products. Industry participants may no longer want to collaborate with us or attend our conferences, and our marketing strategy may no longer be able to yield results commensurate with the efforts we expend.

RISKS RELATING TO OUR FINANCIAL POSITION AND NEED FOR ADDITIONAL CAPITAL

We are a commercial-stage biotechnology company with a limited operating history, which may make it difficult to evaluate our current business and predict our future performance.

We are a commercial-stage biotechnology company with a limited operating history. We have limited experience obtaining marketing approvals for, or commercializing, our drug candidates. Our limited operating history, particularly in light of the rapidly evolving drug research and

development industry in which we operate and the changing regulatory and market environments we encounter, may make it difficult to evaluate our prospects for future performance. Consequently, any predictions about our future success or viability may not be as accurate as they could be if we had a longer operating history. We will encounter risks and difficulties frequently experienced by early-stage companies in rapidly evolving fields as we seek to transition to a company capable of supporting commercial activities. If we do not address these risks and difficulties successfully, our business will suffer.

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

As of December 31, 2024 and 2025 and June 30, 2026, we had net liabilities of RMB411.4 million, RMB614.5 million and RMB694.6 million, respectively, and net current liabilities of RMB467.5 million, RMB709.0 million and RMB808.2 million as of the same dates, respectively, primarily because our redemption liabilities on equity shares were recorded as current liabilities. These equity shares with special rights were issued to our Pre-[**REDACTED**] investors and will be automatically converted into ordinary shares upon the [**REDACTED**], upon which the redemption liabilities will be derecognized from our liabilities. A net liabilities position and net current liabilities position can expose us to liquidity and financial risks.

We had net cash flows used in operating activities of RMB62.7 million, RMB96.4 million, RMB34.8 million and RMB67.5 million in 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. We may experience net cash outflows from our operating activities from time to time. See also "Financial Information — Liquidity and Capital Resources — Cash Flows." Our forecast of the period of time through which our capital resources will be adequate to support our operations is a forward-looking statement and involves risks and uncertainties. We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we currently expect. If we are unable to maintain adequate working capitals, we may unable to operate our business sustainably.

We have historically received financial incentives, such as government subsidies, and we may not continue to receive such incentives in the future.

We have historically received various government subsidies, including subsidies from different PRC governmental authorities to support the research and development for our drug candidates. We recognized government grants as other income of RMB14.8 million, RMB9.4 million, RMB9.4 million and RMB64 thousand in 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. There is no assurance that we could continue to enjoy or maintain financial incentives or government subsidies at the historical levels, or at all, or apply for new financial incentives or government subsidies. Any change, suspension or termination of these government subsidies, or government financial incentives in other forms, may have a negative impact on our business, financial condition and results of operations.

The impairment of our other receivables may affect our business operations.

Our liquidity and financial position would be adversely affected if significant amounts due to us are not settled on time or substantial impairment is incurred, which may adversely affect our financial position and results of operations. We conduct assessments on the impairment of other receivables based on, among others, our historical settlement records, our relationship with relevant counterparties, payment terms, current economic trends and to a certain extent, the larger economic and regulatory environment, which involve the use of various judgments, assumptions and estimates by our management. However, there is no assurance that our expectations or estimates will be entirely accurate, as we are not in control of all the underlying factors affecting such prepayments, deposits and other receivables.

Our financial performance and results of operations may be adversely affected by fair value changes of our financial assets at FVTPL.

As of December 31, 2024 and 2025 and June 30, 2026, we recorded financial assets at FVTPL of RMB40.1 million, RMB80.2 million and RMB85.5 million, respectively, which represented investments in wealth management products. As these wealth management products were not traded in active market, their fair values were determined based on the expected rate of return on our investment. For more details about the fair value estimation, please see Note 31 to the Accountants' Report in Appendix I to this document. As a result, such treatment of carrying amounts of our financial assets at FVTPL may cause significant volatility in or materially and adversely affect our period-to-period earnings, financial condition and results of operations.

Share-based payments may impact our financial performance and cause shareholding dilution to our existing Shareholders.

We have granted restricted shares to our employees. During the Track Record Period, we recorded share-based payments of RMB93.1 million in 2025. We may record more share-based payments in the future. To further incentivize our employees, Directors and consultants and align their interests with ours, we may grant additional share-based compensation in the future. Issuance of such additional shares may increase our operating expenses and therefore have an adverse effect on our financial performance and dilute the shareholding percentage of our existing Shareholders.

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 are set forth in the report set out in 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.

The Renminbi has fluctuated against the Hong Kong dollar and U.S. dollar, at times significantly and unpredictably due to changes in political and economic conditions and by foreign exchange policies, among other things. We cannot assure you that Renminbi will not appreciate or depreciate significantly in value against the Hong Kong dollar or U.S. dollar in the future. The [**REDACTED**] from the [**REDACTED**] will be received in Hong Kong dollars. As a result, any appreciation of the Renminbi against the U.S. dollar, the Hong Kong dollar or any other foreign currencies may result in the decrease in the value of our [**REDACTED**] from the [**REDACTED**] and any dividends payable on, our Shares in foreign currency. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. Furthermore, we are also currently required to complete filings with and obtain approvals from the SAFE before converting significant sums of foreign currencies into Renminbi. All 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 Shares in foreign currency terms.

Disruptions in the financial markets and economic conditions could affect our ability to raise capital.

Global economies could suffer dramatic downturns as the result of a deterioration in the credit markets and related financial crisis as well as a variety of other factors including, extreme volatility in security prices, severely diminished liquidity and credit availability, ratings downgrades of certain investments and declining valuations of others. Government actions in an attempt to address and rectify these market and economic conditions may not be successful, which may cause a significant impact on our ability to raise capital, if needed, on a timely basis and on acceptable terms.

RISKS RELATING TO OUR OPERATIONS

The loss of any key members of our senior management team or our inability to attract and retain highly skilled scientists, clinical and sales personnel could delay or prevent the successful development of our drug candidates and result in a material adverse effect on our business and results of operations.

Our commercial success depends significantly on the continued service of our senior management. See "Directors and Senior Management" for more details. Our agreements with our executive officers do not prevent them from terminating their employment with us at any time. Recruiting and retaining qualified scientific, technical, clinical, sales, and marketing personnel in the future will also be critical to our success. Competition for talent in the pharmaceutical industry is intense, and the pool of qualified candidates is limited. The loss of our senior management or other key employees and consultants could hinder the achievement of our research, development, and commercialization goals and seriously impair our ability to successfully implement our business strategy. Furthermore, replacing executive officers, key employees, or consultants may be difficult and time-consuming given the limited number of individuals in our industry with the necessary breadth of skills and experience to successfully develop, obtain regulatory approval for, and commercialize products like those we develop. To compete effectively, we may need to offer higher compensation and additional benefits, which could materially and adversely affect our financial condition and results of operations. In addition, we may not succeed in training our professionals to keep pace with evolving technological and regulatory standards. Any inability to attract, motivate, train, or retain qualified scientists or other technical personnel could have a material adverse effect on our business, financial condition, results of operations, cash flows, and prospects.

We may be involved in claims, disputes, litigation, arbitration or other legal proceedings in the ordinary course of business, which could adversely affect our business, financial conditions, results of operations and reputation.

We may from time to time become subject to legal proceedings and claims arising in the ordinary course of business or as a result of governmental or regulatory enforcement actions which may escalate and result in substantial costs and divert management's attention and resources. A claim brought against us that is uninsured or underinsured could result in unanticipated costs and could have a material and adverse effect on our financial condition, results of operations, or reputation.

We may be unable to detect, deter and prevent all instances of bribery, fraud or other misconduct committed by our employees or third parties.

During the Track Record Period and up to the Latest Practicable Date, we were not aware of any instances of fraud, bribery, or other misconduct involving employees or other third parties that had any material and adverse impact on our business and results of operations. However, we cannot assure you that no such instances will occur in the future. We may be unable to prevent, detect or deter all instances of misconduct by our employees or third parties. Any such misconduct committed against our interests, including past acts that have gone undetected or future acts, may have a material and adverse effect on our business, results of operations, and reputation.

We are subject to risks relating to political and economic instability and changes in diplomatic and trade relationships, which may materially and adversely affect our business and results of operations.

China's political relationships with foreign countries and regions may affect the prospects of our relationships with third parties, such as business partners, suppliers and future customers and a decline in the demand for our future products. There can be no assurance that our existing or potential service providers or collaboration partners will not alter their perception of us or their preferences. Rising trade and political tensions, as well as changes in relevant government policies, could reduce levels of trade, investment, technological exchange and other economic activities between China and other countries and regions. Examples include but not limited to the "America First Investment Policy" (the "**America First Memo**") outlining the ongoing review and consideration of potential new or expanded restrictions on U.S. outbound investment in the PRC in sectors such as semiconductors, artificial intelligence, quantum, biotechnology, hypersonics, aerospace, advanced manufacturing and directed energy. During the Track Record Period, the America First Memo did not have any material impact on our operations. These restrictions may continue to evolve, potentially extending beyond direct investments to include partnerships, licensing agreements and technology transfers, thereby creating broader compliance burdens and operational uncertainties. We cannot assure you that future interpretations or expansions of these rules will not affect our business operations. We may also be subject to review and enforcement under domestic and foreign laws that screen foreign investment and acquisitions. In both the U.S. and non-U.S. jurisdictions, these regulatory requirements may treat companies differently based on the type of company in question and the investor profile in the company. As a result of these laws, investments by particular investors may need to be filed with local regulators, which in turn may impose added costs on our business, impact our operations and/or limit our ability to engage in strategic transactions that might otherwise be beneficial to us and our investors. These laws are also regularly changed and updated. For example, recently issued U.S. government regulations, such as the final rule implementing Executive Order 14105, known as the Outbound Investment Rule, which took effect in January 2025, restrict U.S. person direct and indirect investment into companies with specified connections to China that use specific technologies of concern. Additional U.S. legislation has been proposed that would further expand the set of technologies of concern. These rules may limit our ability to engage in certain kinds of research or to invest or maintain investments in China, and they may also limit our ability to raise capital from U.S. and other sources. Continuing changes in both U.S. and non-U.S. jurisdictions to foreign investment laws and rules could adversely affect our strategic initiatives, financial performance and growth prospects.

Rising trade and political tensions or unfavorable government policies on international trade, such as capital controls or tariffs, may affect the competitive position of our future drug products and affect our existing and future relationships with shareholders and business partners, the provision of research and development and other services, the supply of materials and products, the hiring of scientists and other research and development personnel, and the import or export of raw materials in relation to drug development, or prevent us from selling our drug products in certain countries. If any new tariffs, legislation and/or regulations are implemented, or if existing trade agreements are renegotiated, such changes could limit our ability to expand into certain markets and have an adverse effect on our business, financial condition and results of operations. In addition, our results of operations could be adversely affected if any such tensions or unfavorable government trade policies harm the Chinese economy or the global economy in general.

In particular, the United States government's attitude towards Chinese service providers in pharmaceutical and biotechnology industries may directly or indirectly affect our business operations. The United States has recently passed legislation, namely 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. During the Track Record Period, the BIOSECURE Act did not have any material impact on our operations or our cooperation arrangements with our suppliers, including CROs and CDMOs. However, if our suppliers or collaboration partners were to be listed as "biotechnology companies

of concern," our ability to engage in business with the U.S. government or with companies that engage in business with the U.S. government may be limited. Moreover, on February 28, 2024, President Biden issued Executive Order (EO) 14117, restricting transfers of sensitive personal data (e.g., genomic, biometric and health data) to "countries of concern," including the PRC. The U.S. Department of Justice (DOJ) subsequently advanced the rulemaking process and issued the final rule of EO 14117 on December 27, 2024, formally titled "Preventing the Exploitation of United States Sensitive Data by Countries of Concern or Covered Persons", which became effective on April 8, 2025. For the avoidance of doubt, the final rule implementing Executive Order 14117 concerns transfers of sensitive personal data to "countries of concern" and does not govern the "covered foreign person" or "covered transaction" analysis addressed in the Outbound Investment Rule. Under the Outbound Investment Rule implementing Executive Order 14105, which became effective on January 2, 2025, U.S. persons (including U.S. citizens and permanent residents, entities organized under U.S. law (including their foreign branches), and any person in the U.S.) are subject to investment prohibitions and notification requirements for certain transactions in three sensitive technology categories (semiconductors and microelectronics, quantum information technologies, and artificial intelligence systems). These restrictions apply when a transaction involves a "Covered Foreign Person" — generally referring to a person in a country of concern engaged in a "Covered Activity." Covered transactions include activities such as acquiring equity interests (including contingent equity interests), providing certain debt financing, forming joint ventures, or investing as a limited partner in a fund, where the relevant requirements are met, including where such transactions involve a covered foreign person or are expected to result in a person of a country of concern engaging in a covered activity. Certain exceptions are provided. Notably, investments in publicly traded securities that trades on a securities exchange are exempted, except to the extent that the investments would provide rights beyond minority shareholder protections. In light of the nature of our business, we do not engage in any "covered activities" relating to semiconductors and microelectronics, quantum information technologies, or restricted categories of artificial intelligence systems, nor do the entities in which we hold a specified interest engage in such activities. Accordingly, we are not a "covered foreign person," and an [**REDACTED**] by a U.S. person in our Shares would not constitute a "covered transaction" under the Outbound Investment Rule. The Outbound Investment Rule does not restrict [**REDACTED**] by U.S. persons in our Shares and has no material impact on the Company or the [**REDACTED**]. The regulatory landscape remains dynamic. Future interpretations of the exemption, amendments to the rule or additional enforcement actions could narrow its applicability or impose compliance obligations (e.g., data anonymization requirements, certifications or contractual safeguards). We cannot guarantee that our current operations will remain unaffected, particularly if geopolitical tensions prompt further restrictions on cross-border data flows. We cannot guarantee that stricter interpretations or geopolitical developments will not subject us to new restrictions or scrutiny.

Product liability claims or lawsuits against us could result in expensive and time-consuming litigation, payment of substantial damages and increases in our insurance rates.

We face inherent risks of product and professional liability arising from the clinical testing and any future commercialization of our drug candidates both inside and outside China. Any such product liability claims may include allegations of manufacturing defects, design defects, failure to warn of potential dangers inherent in the drug, negligence, strict liability, or breach of warranties. Claims could also be brought under applicable consumer protection laws. If we fail to successfully defend ourselves against such claims, we may incur substantial liabilities or be required to limit the commercialization of our drug candidates. Even if we successfully defend against such claims, doing so would require significant financial and management resources. Regardless of the merits or outcome, liability claims may result in, among others, decreased demand for our drug candidates, damage to our reputation, and withdrawal of clinical trial participants and inability to continue ongoing clinical trials. If a successful product liability claim, or a series of such claims, is brought against us for uninsured liabilities or in excess of insured limits, our assets may not be sufficient to cover such claims, which could impair our business operations. Any of these events could have a material adverse effect on our business, financial condition and results of operations.

Our information technology systems, or those used by our CROs, CDMOs, partners, other independent contractors or consultants, may fail or suffer security breaches, which may require us to expend additional resources to protect our information technology systems and could materially and adversely affect our business, financial condition, results of operations and prospects.

We could also be exposed to risks arising from the misappropriation, misuse, leakage, falsification, or intentional or accidental release or loss of information maintained in the information systems and networks of our company, our third-party vendors, and clinical sites, including personal information of our employees and, potentially, our clinical study patients, as well as company and vendor confidential data. If a material breach of our information technology systems or those of our vendors occurs, market perception of the effectiveness of our security measures could be harmed, and our reputation and credibility could suffer. We could also be required to expend significant amounts of money and resources to repair or replace compromised information systems or networks. In addition, we could be subject to regulatory actions or claims by individuals or groups through private litigation involving privacy issues related to data collection and use practices or other data privacy laws and regulations, including claims for misuse or inappropriate disclosure of data, as well as unfair or deceptive practices. The development and maintenance of systems, controls, and processes to prevent such events are costly and require continuous monitoring and updating as technologies evolve and attempts to overcome security measures become increasingly sophisticated.

If we engage in acquisitions or strategic partnerships, this may increase our capital requirements, cause dilution to our Shareholders, cause us to incur debt or assume contingent liabilities and subject us to other risks.

From time to time, we may consider various acquisitions and strategic partnerships, including licensing or acquiring complementary products, intellectual property rights, technologies, or businesses. Any completed, ongoing, or potential acquisition or strategic partnership may involve numerous risks, including but not limited to increased operating expenses and cash requirements and the assumption of additional indebtedness or contingent or unforeseen liabilities. In addition, if we proceed with acquisitions, we may issue dilutive securities, assume or incur debt obligations, incur significant one-time expenses, or acquire intangible assets that could result in substantial future amortization expenses. Moreover, we may not be able to identify suitable acquisition opportunities, and such inability could hinder our growth or prevent us from gaining access to technologies or products that may be important to our business development.

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

Our future financial performance and our ability to commercialize our drug candidates will depend in part on how effectively we manage our recent and future growth. In addition, our management may be required to divert a disproportionate amount of attention away from daily operations to devote substantial time to overseeing growth-related activities. As our development and commercialization plans and strategies evolve, we will need to add a significant number of managerial, operational, manufacturing, sales, marketing, financial, and other personnel. Our recent and any future growth will place substantial additional responsibilities on our management, including but not limited to continuing to innovate and develop advanced technologies in the highly competitive pharmaceutical industry and effectively managing our internal development efforts. If we fail to effectively manage our growth and expand our organization, we may not be able to implement the necessary tasks to further develop and commercialize our drug candidates. As a result, we may be unable to achieve our research, development, and commercialization goals. Such failure could materially and adversely affect our business, financial condition, results of operations, and prospects.

We have limited insurance coverage, and any claims beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources, which may negatively impact our R&D progress and overall operations.

We maintain insurance policies as required under PRC laws and regulations, which we believe are consistent with market practice and adequate for our business to protect against risks and unforeseen events. See "Business — Insurance" for details. However, our insurance coverage may not be sufficient to cover all potential claims, or we may not be able to maintain sufficient insurance coverage at commercially reasonable terms. Any liabilities or damages to, or caused by, our facilities or personnel that exceed our insurance coverage could result in substantial costs, divert our resources, and adversely affect our drug development and overall operations.

Any failure to comply with the PRC regulations regarding mandatory social insurance and housing provident fund contributions may subject us to fines and other legal or administrative sanctions.

According to the Social Insurance Law of the PRC《中華人民共和國社會保險法》) and the Administration of Housing Accumulation Funds (《住房公積金管理條例》), we are obligated to contribute social insurance premium and housing fund for our employees. For details, see "Regulatory Overview — Overview of Laws and Regulations in the PRC — Other Significant PRC Regulations Affecting Our Business Activities in the PRC — Labor, Social Insurance and Housing Fund." During the Track Record Period, we engaged an independent third-party agency to pay, on behalf of the Company, the relevant contribution for two employees. As a result, we may be required by competent authorities to rectify the non-compliance and could be subject to a fine or penalty if we fail to rectify such non-compliance as required. Such arrangement was ceased in April 2026. As of the Latest Practicable Date, no competent government authorities had imposed administrative action, fine or penalty to us with respect to this non-compliance incident. We cannot assure you that we will not be subject to any penalty, or order to rectify non-compliance in the future. We may incur additional expenses to comply with such laws and regulations.

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

Any negative publicity relating to us, our affiliates, Shareholders, Directors, officers, employees, business partners or management, even if unfounded, could adversely affect our reputation and business prospects. Consequently, we may need to devote significant time and incur substantial costs to address such allegations and adverse publicity. Furthermore, any negative publicity concerning us could impair our ability to maintain existing collaboration arrangements or attract new partners, and we may be unable to dispel such negative publicity to the satisfaction of our [**REDACTED**].

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

Severe natural disasters, acts of war or terrorism and epidemics may lead to loss of life, injury, damage to assets and disruption of our business and operations. Any of these factors, together with other events beyond our control, could adversely affect overall business sentiment and the operating environment, create uncertainties in the regions where we conduct business, negatively impact our operations in unpredictable ways and materially and adversely affect our business, financial condition and results of operations. Any such event could severely disrupt our daily operations and may even require temporary closure of our offices and laboratories. In recent years, epidemics have occurred in China and worldwide.

RISKS RELATING TO GOVERNMENT REGULATIONS

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

All jurisdictions in which we intend to develop and commercialize our drug candidates impose detailed and stringent regulations on these activities. The pharmaceutical and biopharmaceutical industries in these jurisdictions are subject to comprehensive government oversight, particularly in relation to product development, approval, manufacturing, marketing, sales and distribution. However, differences in regulatory regimes across jurisdictions create a more complex and costly compliance burden for a company like us that seeks to operate in multiple regions. Changes in government regulations or industry practices, such as relaxed requirements or the introduction of simplified approval procedures that lower barriers to entry for competitors, or stricter requirements that make compliance more difficult, may have a material adverse effect on our business, financial condition, results of operations and prospects. In addition, our facilities are subject to both scheduled and unscheduled inspections to monitor regulatory compliance. During the Track Record Period, we passed all inspections and obtained clearance from the relevant authorities in all material respects with respect to the discovery and development of our drug candidates. However, we cannot assure you that we will continue to do so in the future.

The regulatory approval processes of the NMPA, FDA and other comparable regulatory authorities are lengthy, time-consuming and inherently unpredictable. If we are unable to obtain without undue delay any regulatory approval for our drug candidates in our targeted markets, our business may be materially and substantially affected.

Significant time, effort and expenses are required to bring our drug candidates to market in compliance with the applicable regulatory process, and we cannot assure you that any of our drug candidates will be approved for sale. Our drug candidates could fail to receive regulatory approval in a timely manner for many reasons, including but not limited to failure to begin or complete clinical trials due to disagreements with regulatory authorities and failure to demonstrate that a drug candidate is safe and effective. In addition, the regulatory authorities may require us to provide additional information, including further analyses, reports, data, non-clinical studies and clinical trials, or raise questions regarding the interpretation of data and results to support approval, which may prolong, delay or prevent regulatory approval and commercialization of our drug candidates, or may even lead us to abandon certain development programs. Changes in regulatory requirements, policies and guidance may also occur, and we may be required to amend clinical trial protocols submitted to the competent authorities to reflect these changes. Such resubmissions may affect the costs, timing or successful completion of a clinical trial. Approval procedures vary among jurisdictions and can involve additional product testing, validation and extended administrative review. We cannot assure you that we will be able to meet the regulatory requirements of different jurisdictions or that our drug candidates will be approved for sale in those jurisdictions in a timely manner or at all. Additional time, effort and expense may be required to bring our drug candidates, upon obtaining regulatory approval, to international markets in compliance with the respective regulatory processes, which may adversely affect the commercial prospect of our drug candidates. Furthermore, any delays in completing our clinical trials will increase our costs, slow down the development and approval process for our drug candidates, and jeopardize our ability to commence product sales and generate revenues. Any of these occurrences could materially and adversely affect our business, financial condition and prospects.

Even after we obtain regulatory approval for the marketing and distribution of our drug candidates, our products will continue to remain subject to ongoing and evolving regulatory obligations and continued regulatory review, which may result in significant additional expenses, and we may be subject to penalties or other adverse consequences if we fail to comply with regulatory requirements or experience unanticipated problems with our future approved drugs.

If regulatory authorities approve any of our drug candidates, the manufacturing processes, labeling, packaging, storage, distribution, adverse event reporting, advertising, promotion, sampling, recordkeeping and post-marketing studies for such drug will be subject to extensive and ongoing or additional regulatory requirements relating to pharmacovigilance, including but not limited to continued compliance with GMPs, cGMPs, GCPs as well as potential post-approval studies for the purposes of license renewal. In addition, there remains the possibility of subsequent discovery of previously unknown problems with the drug, including issues involving third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements. If any of the foregoing occurs with respect to our drug candidates, it may result in, among other things, restrictions on the marketing or manufacturing of the drug, withdrawal of the drug from the market, or voluntary or mandatory product recalls. The NMPA, the FDA and comparable regulatory authorities strictly regulate the marketing, labeling, advertising and promotion of drugs that are placed on the market. Drugs may only be promoted for their approved indications and in accordance with the provisions of the approved label. Any government investigation of alleged violations of law could require us to expend substantial time and resources and could result in negative publicity.

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 relevant jurisdictions.

Our business operations and our current and future arrangements with clinical site investigators, healthcare professionals, consultants, third-party payors, patient organizations and customers may expose us to broadly applicable fraud, abuse and other healthcare laws and regulations in relevant jurisdictions. These laws may impose restrictions on the business or financial arrangements and relationships through which we conduct our operations, including the manner in which we market, sell and distribute our drug candidates, if approved. Such laws may also affect, among other things, our proposed sales, marketing and educational programs. Efforts to ensure that our business arrangements with third parties comply with applicable healthcare laws and regulations will require substantial costs and resources. Regulatory authorities may determine that our business practices fail to comply with current or future statutes, regulations or case law involving applicable fraud, abuse or other healthcare laws and regulations. Defending against any such actions may be costly and time-consuming, and may require significant allocation of management and personnel resources. Therefore, even if we are ultimately successful in defending against such actions, our business operations may still be adversely affected. We are also subject to the United States Foreign Corrupt Practices Act (the "**FCPA**"), notwithstanding that our current business operations are primarily in China, which generally prohibits improper payments to non-U.S. officials for business purposes. As we expand our operations globally, we may become subject to similar anti-fraud, anti-corruption and healthcare compliance laws and regulations in other jurisdictions, the ambiguity of which could expose us to penalties and other adverse consequences.

We are subject to stringent privacy laws, information security policies and contractual obligations related to data privacy and security, and we may be exposed to risks related to our management of the medical data of subjects enrolled in our clinical trials and other personal or sensitive information.

Laws and regulations relating to data protection, privacy and cross-border data transfer generally require clinical trial sponsors, operators and their personnel to protect the privacy of enrolled subjects and prohibit any unauthorized disclosure of personal information. If such institutions or personnel disclose private or medical records of subjects without their consent, they may be held liable for the damages caused. We routinely receive, collect and store de-identified

codes of subjects enrolled in our clinical trials, and process, transmit and maintain medical treatment records and other personal details of such subjects, together with other personal or sensitive information. Accordingly, we are subject to numerous PRC laws and U.S. federal and state laws governing data protection and privacy. The PRC authorities have promulgated a series of laws and regulations governing various aspects of cybersecurity, data security, personal information and privacy protection. For details, see "Regulatory Overview — Overview of Laws and Regulations in the PRC — Other Significant PRC Regulations Affecting Our Business Activities in the PRC — Regulations Relating to Information Security and Data Privacy."

The Regulations on the Administration of Human Genetic Resources of the PRC (《人類遺傳資源管理條例》) (the "**HGR Regulation**"), promulgated by the State Council in May 2019 and amended in March 2024, stipulate that foreign organizations, individuals and entities established or actually controlled by foreign organizations or individuals are prohibited from collecting, preserving or exporting China's human genetic resources. Such foreign entities may only utilize or be provided with China's human genetic resources after fulfilling the applicable regulatory requirements, including: (i) using China's human genetic resources only in international cooperation with qualified Chinese scientific research institutions, universities, medical institutions or enterprises for scientific research and clinical trials after completion of requisite approval or filing formalities with competent authorities; and (ii) providing China's human genetic resource information only after completion of the required security review, filing and information backup procedures. Furthermore, the Biosecurity Law of the PRC (《中華人民共和國生物安全法》) (the "**Biosecurity Law**"), promulgated in October 2020 and effective in April 2021 (as amended in April 2024), reaffirms the regulatory requirements under the HGR Regulation and potentially increases administrative sanctions for violations involving the collection, preservation, export or international cooperation use of China's human genetic resources. The interpretation and implementation of the HGR Regulation and related laws and regulations may vary over time.

In addition, should we enter the U.S. market to conduct clinical trials or engage in product sales and marketing in the future, we will also be subject to Numerous U.S. federal and state laws and regulations governing personal information privacy and security. In particular, regulations promulgated under the Health Insurance Portability and Accountability Act of 1996 ("**HIPAA**") establish privacy and security standards that limit the use and disclosure of individually identifiable health information ("**protected health information**") and require administrative, physical and technological safeguards to ensure the confidentiality, integrity and availability of electronic protected health information. Determining whether protected health information has been handled in compliance with applicable privacy standards and contractual obligations may involve complex factual and statistical analyses and may be subject to evolving interpretation. Our information technology and infrastructure may be vulnerable to cyberattacks, viruses, employee error, misconduct or other malicious or inadvertent disruptions. Any such breach or interruption could compromise our networks and allow unauthorized access to, manipulation, disclosure, loss or theft of information. Such incidents could give rise to legal claims or proceedings and potential liability under federal or state privacy laws, such as HIPAA or the Health Information Technology for Economic and Clinical Health Act, and result in regulatory penalties. Breach notifications may be required to affected individuals, the U.S. Department of Health and Human Services, and, in the case of significant breaches, to the media or State Attorneys General, which could adversely affect our reputation and competitive position.

Compliance with all applicable laws, regulations, standards and obligations concerning data privacy, security and transfer may impose substantial operational costs or require us to modify our data processing practices. Any leakage or misuse of patient data by our third-party partners may be perceived by patients as our negligence or failure, which could expose us to reputational and legal risks. Furthermore, any changes to applicable laws and regulations could affect our ability to use medical data and expose us to liability for continuing to use data for purposes that were previously permitted. Any actual or perceived failure by us to prevent data breaches, comply with privacy policies or meet privacy-related legal obligations, or any incident resulting in the unauthorized release or transfer of personally identifiable or patient information, could have a material adverse effect on our business, financial condition and results of operations.

Changes in laws and regulations relating to the biopharmaceutical industry as well as political and economic policies may affect our business.

In China, the United States and other jurisdictions, there have been, and we expect there will continue to be, a number of legislative and regulatory changes relating to the biopharmaceutical industry and the healthcare system. Although most of our drug candidates had not been commercialized as of the Latest Practicable Date, legislative trends and regulatory measures may potentially affect the sales, profitability and prospects of our drug candidates in the future. Moreover, because these laws and regulations are subject to varying interpretations, their application in practice may evolve over time as new guidance becomes available. Such evolution may result in continuing uncertainty regarding compliance matters and may require us to incur additional costs to revise and update our disclosure and governance practices. Changes in political and economic policies, as well as the interpretation and enforcement of laws, rules and regulations, may also affect our business, financial condition, results of operations and prospects.

Changes in political and economic policies, as well as the interpretation and enforcement of laws, rules and regulations, may affect our business, financial condition, results of operations and prospects.

A substantial portion of our businesses, assets and operations are located in China. Accordingly, our financial condition, results of operations and business prospects are, to a significant extent, subject to the economic, political and legal developments in China, as well as the interpretation and enforcement of laws, rules and regulations in the country. The Chinese economy, political and social conditions differ from those of many other jurisdictions. China's economy has experienced significant growth over the past decades following the implementation of the reform and opening-up policy. In recent years, the PRC government has implemented measures emphasizing the role of market forces in economic reform and the establishment of sound corporate governance practices in business enterprises. These economic reform measures may be adaptively adjusted from industry to industry or across different regions of China. Any changes in the business environment in China may materially and adversely affect our business, financial condition and results of operations.

Governmental regulations on currency exchange may affect us.

The convertibility of Renminbi into foreign currencies and, in certain cases, the remittance of currency into or out of China are subject to PRC foreign exchange regulations. Under the existing PRC foreign exchange regulations, approval from, or registration with, the relevant governmental authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenditures, such as the repayment of loans denominated in foreign currencies. For details, see "Regulatory Overview — Overview of Laws and Regulations in the PRC — Other Significant PRC Regulations Affecting Our Business Activities in the PRC — Laws and Regulations relating to Foreign Exchange." We cannot assure you that all our shareholders will at all times comply with the registration procedures required under these regulations, which may affect our business operations and our ability to distribute profits to our shareholders.

There might be uncertainties in effecting service of legal process, enforcing foreign judgments against us or our Directors and senior management personnel in the PRC.

We are a company incorporated under the laws of the PRC, and a significant portion of our assets and the majority of our Directors and senior management are located in the PRC. As a result, it may be difficult for [**REDACTED**] to directly effect service of process within the United States or elsewhere outside the PRC upon us or most of our Directors and senior management in the PRC. Moreover, judgments rendered in jurisdictions with which the PRC does not have treaties providing for the reciprocal recognition and enforcement of judicial rulings and awards may not be recognized or enforced in the PRC.

RISKS RELATING TO THE [REDACTED]

No [REDACTED] currently exists for our H Shares; an active [REDACTED] for our H Shares may not develop and the [REDACTED] and [REDACTED] volume of our H Shares may decline or become volatile, which could lead to substantial losses to [REDACTED].

Prior to the completion of the [**REDACTED**], there has been no [**REDACTED**] for our H Shares. There can be no assurance that an active [**REDACTED**] for our H Shares will develop or be maintained following the completion of the [**REDACTED**]. The [**REDACTED**] is the result of negotiations between our Company and the [**REDACTED**] (for themselves and on behalf of the [**REDACTED**]), and may not be indicative of the price at which our H Shares will [**REDACTED**] following the completion of the [**REDACTED**]. The [**REDACTED**] of our H Shares may decline below the [**REDACTED**] at any time after the completion of the [**REDACTED**]. We have applied to the Stock Exchange for the [**REDACTED**] of, and permission to [**REDACTED**], our H Shares. A [**REDACTED**] on the Stock Exchange, however, does not guarantee that an active and liquid [**REDACTED**] for our H Shares will develop, or if it develops, that it will be sustained following the [**REDACTED**], or that the [**REDACTED**] of our H Shares will not decrease following the [**REDACTED**]. The [**REDACTED**] and [**REDACTED**] of our H Shares may be volatile and may fluctuate significantly in response to factors beyond our control, including but not limited to general market conditions of the securities markets in Hong Kong, China, the United States and other regions, as well as company-specific reasons. In particular, the performance and price fluctuations of other companies with business operations primarily located in China that have listed their securities in Hong Kong may affect the volatility of the [**REDACTED**] and [**REDACTED**] of our H Shares.

Future sales or perceived sales of our H Shares in the [REDACTED] by major Shareholders following the [REDACTED] could materially and adversely affect the price of our H Shares.

Future sales or perceived sales of our H Shares by existing Shareholders following the [**REDACTED**] could result in a significant decline in the prevailing [**REDACTED**] of our H Shares. Only a limited number of the H Shares currently outstanding will be available for sale or issuance immediately after the [**REDACTED**] due to contractual and regulatory restrictions on disposal and new issuance. Nevertheless, once these restrictions expire or are waived, future sales of substantial amounts of our H Shares in the [**REDACTED**], or the perception that such sales may occur, could materially reduce the prevailing [**REDACTED**] of our H Shares and adversely affect our ability to raise equity capital in the future.

Potential [REDACTED] will experience immediate and substantial [REDACTED] as a result of the [REDACTED] and will experience further [REDACTED] if we issue additional H Shares or other equity securities in the future.

Potential [**REDACTED**] will pay a price per H Share in the [**REDACTED**] that substantially exceeds the per H Share value of our net tangible assets. As a result, [**REDACTED**] of our H Shares in the [**REDACTED**] will experience a substantial immediate [**REDACTED**] in [**REDACTED**] net tangible assets, while our existing Shareholders will enjoy an increase in the [**REDACTED**] adjusted net tangible assets per Share attributable to their Shares. Accordingly, if we were to distribute our net tangible assets to Shareholders immediately following the [**REDACTED**], potential [**REDACTED**] would receive an amount less than the price they paid for their H Shares.

We cannot assure you that we will declare and distribute any amount of dividends in the future.

No dividend has been proposed, paid or declared by our Company since its incorporation. We do not have any plan to declare or pay any dividends in the foreseeable future. Any future determination to pay dividends will be made at the shareholders' meeting and may take into account a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may

consider relevant. In addition, regulations in the PRC currently permit the payment of dividends by us only out of our accumulated distributable after-tax profits, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make, as determined in accordance with our Articles of Association and the accounting standards and regulations in China. As a result, we cannot assure you that we will make any dividend payments on our H Shares in the future. See "Financial Information — Dividend." Accordingly, you should not rely on an [**REDACTED**] in our H Shares as a source of any future dividend income.

The industry facts, statistics and forecasts in this document that were obtained from various official government sources have not been independently verified.

This document, in particular the section headed "Industry Overview," contains information and statistics relating to the healthcare market derived from third-party reports, whether commissioned by us or publicly accessible, as well as from other publicly available sources. Information and statistics obtained from official government sources have not been independently verified by us, the Sole Sponsor, the [**REDACTED**], or by any of our or their respective directors, officers or representatives, or by any other party involved in the [**REDACTED**], other than Frost & Sullivan, and no representation is made as to their accuracy. The collection methods for such information may be flawed or ineffective, or there may be discrepancies between published information and actual market practices, which could result in the statistics being inaccurate. [**REDACTED**] should therefore not place undue reliance on such information. In addition, we cannot assure [**REDACTED**] that such information has been presented or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In any event, [**REDACTED**] should carefully consider the importance to be attached to such information or statistics.

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

This document contains certain statements and information that are forward-looking and uses forward-looking terminology, including, without limitation, "believe," "expect," "estimate," and other similar expressions. [**REDACTED**] are cautioned that reliance on any forward-looking statement involves risks and uncertainties, and that any or all of the underlying assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations or warranties by us that our plans and objectives will be achieved, and such forward-looking statements should be considered in the context of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise any forward-looking statements in this document, whether as a result of new information, future events, or otherwise. Accordingly, [**REDACTED**] should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified in their entirety by reference to this cautionary statement.

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 regarding us or the [REDACTED].

We strongly caution [**REDACTED**] not to rely on any information contained in press articles or other media regarding us or the [**REDACTED**]. Prior to the publication of this document, there has been unauthorized press and media coverage concerning us including references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations, and other information. We make no representation as to the appropriateness, accuracy, completeness, or reliability of any such information or publication. To the extent that any such information is inconsistent with or conflicts with the information contained in this document, we disclaim responsibility for it, and [**REDACTED**] should not rely on such information.

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

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 and Rule 19A.15 of the Listing Rules, a new applicant applying for a primary listing on the Stock Exchange must have a sufficient management presence in Hong Kong. This normally means that at least two of the new applicant's 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 may be waived by having regard to, among other considerations, the applicant's arrangements for maintaining regular communication with the Stock Exchange.

The Company's headquarters, management, business operations and assets are primarily located in the PRC. The Company's executive Directors are based in the PRC as the Board believes it would be more effective and efficient for its executive Directors to be based in a location where the Company's significant operations are located. The executive Directors are not or will not be ordinarily resident in Hong Kong upon the proposed [**REDACTED**]. The Directors consider that relocation of the executive Directors to Hong Kong will be burdensome and costly for the Company, and it may not be in the best interests of the Company and the Shareholders as a whole to appoint additional executive Directors who are ordinarily resident in Hong Kong.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, the Company has applied to the Stock Exchange for, and the Stock Exchange [has] granted the Company, a waiver from strict compliance with the requirements under Rule 8.12 and Rule 19A.15 of the Listing Rules, provided that the Company implements the following arrangements:

(a) pursuant to Rule 3.05 of the Listing Rules, the Company has appointed and will continue to maintain two authorized representatives (the "**Authorized Representatives**"), namely Dr. Lyu Yubin (吕裕斌博士) and Ms. Li Yee Ching (李漪澄女士). The Authorized Representatives are authorized to communicate on the Company's behalf with the Stock Exchange. Each of the Authorized Representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone and email. As and when the Stock Exchange wishes to contact the Directors on any matters, each of the Authorized Representatives will have means to contact all of the Directors promptly at all times. The Company will also inform the Stock Exchange promptly in respect of any change in the Authorized Representatives;

(b) the Company has provided the contact details of each Director (such as mobile phone numbers, office phone numbers and email addresses) to each of the Authorized Representatives and to the Stock Exchange. This will ensure that the Authorized Representatives and the Stock Exchange will have the means to contact any of the Directors (including the independent non-executive Directors) promptly as and when required, including means to communicate with the Directors when they are travelling;

(c) the Company confirms and will ensure that all 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 meet with the Stock Exchange within a reasonable period of time when required; and

(d) the Company has appointed Somerley Capital Limited as its Compliance Adviser, pursuant to Rule 3A.19 of the Listing Rules. The Compliance Adviser will have access at all times to the Authorized Representatives, Directors and senior management of the Company, and will act as an additional channel of communication between the Stock Exchange and the Company for the period commencing on the [**REDACTED**] and ending on the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the [**REDACTED**]. The Compliance Adviser will maintain constant contact with the Authorized Representatives, Directors and senior management of the Company through various means, including regular meetings and telephone discussions whenever necessary. The Authorized Representatives, Directors and other officers will provide promptly such information and assistance as the Compliance Adviser may reasonably require in connection with the performance of the Compliance Adviser's duties as set forth in Chapter 3A of the Listing Rules.

JOINT COMPANY SECRETARIES

Rule 8.17 of the Listing Rules provides that the issuer must appoint a company secretary who satisfies the requirements under Rule 3.28 of the Listing Rules. Rule 3.28 of the Listing Rules provides that the issuer must appoint as its company secretary an individual who, by virtue of his academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

Note 1 to Rule 3.28 of the Listing Rules provides that the Stock Exchange considers that the following academic or professional qualifications to be acceptable: (a) a member of The Hong Kong Chartered Governance Institute; (b) a solicitor or barrister (as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong)); and (c) a certified public accountant (as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong)).

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

Paragraph 13 of Chapter 3.10 of the Guide for New Listing Applicants provides that the Stock Exchange will consider waiver applications in relation to Rules 3.28 and 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include: (a) whether the applicant has principal business activities primarily outside Hong Kong; (b) whether the applicant is able to demonstrate the need to appoint a person who does not have the Acceptable Qualification (as defined under paragraph 11 of Chapter 3.10 of the Guide for New Listing Applicants) nor Relevant Experience (as defined under paragraph 11 of Chapter 3.10 of the Guide for New Listing Applicants) as a company secretary; and (c) why the directors consider the proposed company secretary to be suitable to act as the applicant's company secretary.

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

The Group's principal business operations are in the PRC. The Company considers that apart from being able to meet the professional qualification or the relevant experience requirements under the Listing Rules, its company secretary also needs to have (i) experience relevant to the Company's operations; (ii) nexus to the Board; and (iii) close working relationship with the management of the Company, in order to perform the function of a company secretary and to take the necessary actions in the most effective and efficient manner. It is for the benefit of the Company to appoint a person who is familiar with the Company's business and affairs as a company secretary.

The Company has appointed Mr. Ye Shuaidong (葉帥東先生) ("**Mr. Ye**") as one of the joint company secretaries. The Company believes that it would be in the best interests of the Company and the corporate governance of our Group to appoint Mr. Ye who has extensive experience of the Group's board and corporate management matters as a joint company secretary. Since Mr. Ye presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, he may not be able to solely fulfil the requirements of the Listing Rules. Therefore, we have appointed Ms. Li Yee Ching (李漪澄女士) ("**Ms. Li**"), who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary and to provide assistance to Mr. Ye for an initial period of three years from the [**REDACTED**] to enable Mr. Ye to acquire the "relevant experience" under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules. For biographical details of Mr. Ye and Ms. Li, see "Directors and Senior Management."

Given Ms. Li's professional qualification and experience, she will be able to explain to both Mr. Ye and the Company the relevant requirements under the Listing Rules and other applicable Hong Kong laws and regulations. Ms. Li will also assist Mr. Ye in organizing Board meetings and Shareholders' general meetings as well as other matters of the Company which are incidental to the duties of a company secretary. Ms. Li is expected to work closely with Mr. Ye and will maintain regular contact with Mr. Ye, the Directors and the senior management of the Company. Mr. Ye will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance his knowledge of the Listing Rules during the three-year period from the [**REDACTED**]. We will further ensure that Mr. Ye will also be assisted by our Compliance Adviser and our legal adviser as to Hong Kong law on matters in relation to our ongoing compliance with the Listing Rules and the applicable laws and regulations.

Since Mr. Ye does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Mr. Ye may be appointed as a joint company secretary of the Company. The waiver is valid for an initial period of three years from the [**REDACTED**] on the conditions that (i) Mr. Ye must be assisted by Ms. Li, who possesses the qualifications and experience required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and (ii) the waiver will be revoked immediately if and when Ms. Li ceases to provide such assistance to Mr. Ye as a joint company secretary or if there are material breaches of the Listing Rules by the Company.

Before the expiration of the initial three-year period, the qualifications of Mr. Ye will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for ongoing assistance will continue. We will liaise with the Stock Exchange to enable it to assess whether Mr. Ye, having benefited from the assistance of Ms. Li for the preceding three years, will have acquired the skills necessary to carry out the duties of a company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

EXEMPTION FROM STRICT COMPLIANCE WITH SECTION 342(1)(B) OF THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE IN RELATION TO PARAGRAPH 27 OF PART I AND PARAGRAPH 31 OF PART II OF THE THIRD SCHEDULE TO THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

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

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

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

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

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

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

Accordingly, the Company has applied to the SFC for, and the SFC [has] granted, a certificate of exemption from strict compliance with the requirements under section 342(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance regarding the inclusion of the accountants' report covering the full three financial years immediately preceding the issue of this document, on the conditions that the particulars of the exemption are set forth in this document and this document will be issued on or before [**REDACTED**], on the following grounds:

(a) the Company falls within the scope of biotech company as defined under Chapter 18A of the Listing Rules. The Company is seeking a [**REDACTED**] under Chapter 18A and will fulfill the additional conditions for [**REDACTED**] required under Chapter 18A of the Listing Rules;

(b) the Accountants' Report for each of the two financial years ended December 31, 2025 and the six months ended June 30, 2026 has been prepared and is set out in Appendix I to this document in accordance with Rule 18A.06 of the Listing Rules;

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

(d) given that Chapter 18A of the Listing Rules provides that the minimum track record period for biotech companies in terms of financial disclosure is two years, strict compliance with the requirements of section 342(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance and paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance would be unduly burdensome for the Company as this would require additional work to be performed by the Company and its reporting accountants; and

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

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[**REDACTED**]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[**REDACTED**]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[**REDACTED**]

[REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Li Bangliang (李邦良先生)	Room 601, Unit 1, Building 4 Ruifeng Gelin Laozheda Heng Road Shangcheng District Hangzhou Zhejiang Province PRC	Chinese
Dr. Lyu Yubin (呂裕斌博士)	Room 301, Unit 2, Building 6 Yulanxuan Hebin City Wuchanggang Rd Xihu District Hangzhou Zhejiang Province PRC	Chinese
Mr. Li Yuedong (李閱東先生)	Room 201, No. 218 Shiban Lane Xiacheng District Hangzhou Zhejiang Province PRC	Chinese
Ms. Lu Jian (盧建女士)	Room 902, Unit 2, Building 38 Dushi Shuixiang, Shuiying Yuan No. 328 Sandun Road Gongshu District Hangzhou Zhejiang Province PRC	Chinese
Non-executive Directors		
Mr. Zhang Yuhao (張宇昊先生)	Room 1201, Unit B, Building 5 Guotai Xindu Community No. 1 Heping North Road Tianning District Changzhou Jiangsu Province PRC	Chinese
Mr. Zhou Mi (周密先生)	No. 41, Lane 81, Jiuting Avenue Jiuting Town Songjiang District Shanghai PRC	Chinese

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Name	Address	Nationality
Independent Non-executive Directors		
Mr. Li Wai Man Raymond (李偉文先生)	Flat A, 16/F, Han King Garden 43-49 Cloud View Road North Point Hong Kong	Chinese (Hong Kong)
Dr. Su Weike (蘇為科博士)	Building 70, Jinlong Yard Yinlong Villa Dongsheng Street Wukang Town Deqing County Huzhou Zhejiang Province PRC	Chinese
Ms. Chu Yik Hei (朱奕郗女士)	Flat/Room 11, 6/F Sheung Shing House Upper Ngau Tau Kok Estate Kwun Tong Hong Kong	Chinese (Hong Kong)

For more information on the Directors, see "Directors and Senior Management."

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor

China Securities (International) Corporate Finance Company Limited
18/F, Two Exchange Square
8 Connaught Place
Central
Hong Kong

[**REDACTED**]

Legal Advisors to the 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, One IFC River West, No.118 Sanxin Road, Shangcheng District Hang Zhou PRC
	As to intellectual property law of the PRC: **Hiways Law Firm** 12/F, Foxconn Building No. 1366 Lujiazui RingRoad Pudong New District Shanghai PRC
	As to data compliance law of the PRC: **Allbright Law Offices** 9, 11/F-12/F, Shanghai Tower No. 501 Yincheng Middle Road Pudong New District Shanghai PRC
Legal Advisors to the Sole Sponsor and the [REDACTED]	*As to Hong Kong and United States law:* **Jia Yuan Law Office** Suites 3502-3503, 35/F One Exchange Square 8 Connaught Place Central Hong Kong
	As to PRC law: **Grandway Law Offices** 7-8/F News Plaza No. 26, Jianguomennei Avenue Dongcheng District Beijing PRC
Reporting Accountants and Independent Auditor	**Ernst & Young** *Certified Public Accountants* *Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance* 27/F, One Taikoo Place 979 King's Road Quarry Bay Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** 2504-2505, Wheelock Square, 1717 Nanjing West Road Jing'an District Shanghai 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

[**REDACTED**]

CORPORATE INFORMATION

Registered Office	Room 101, Building 2 No. 2069 Jinchang Road Liangzhu Sub-district Yuhang District Hangzhou Zhejiang PRC
Headquarters and Principal Place of Business in the PRC	Unit 2, Building 9 No. 2069 Jinchang Road Liangzhu Sub-district Yuhang District Hangzhou Zhejiang PRC
Principal Place of Business in Hong Kong	Room 1901, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Company's Website	**www.biosunpharma.com** (*The information contained on this website does not form part of this document*)
Joint Company Secretaries	Mr. Ye Shuaidong (葉帥東先生) Room 503, Unit 1, Building 39 Shuangling Xincun Jianggan District Hangzhou Zhejiang PRC Ms. Li Yee Ching (李漪澄女士) (*an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom*) Room 1901, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Authorized Representatives	Dr. Lyu Yubin (呂裕斌博士) Room 101, Building 2 No. 2069 Jinchang Road Liangzhu Sub-district Yuhang District Hangzhou Zhejiang PRC Ms. Li Yee Ching (李漪澄女士) Room 1901, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong

CORPORATE INFORMATION

Audit Committee	Mr. Li Wai Man Raymond (李偉文先生) *(Chairperson)* Dr. Su Weike (蘇為科博士) Ms. Chu Yik Hei (朱奕郗女士)
Nomination Committee	Dr. Su Weike (蘇為科博士) *(Chairperson)* Ms. Chu Yik Hei (朱奕郗女士) Dr. Lyu Yubin (呂裕斌博士)
Remuneration and Appraisal Committee	Ms. Chu Yik Hei (朱奕郗女士) *(Chairperson)* Mr. Li Wai Man Raymond (李偉文先生) Mr. Li Bangliang (李邦良先生)
Compliance Adviser	**Somerley Capital Limited** 20/F, China Building 29 Queen's Road Central Hong Kong
	[**REDACTED**]
Principal Bank	**Industrial and Commercial Bank of China Limited Liangzhu Branch** 2008 Jinchang Road Yuhang district Hangzhou Zhejiang PRC

Certain information and statistics set out in this section have been extracted from various official government publications, available sources from public market data providers and an independent third-party source, Frost & Sullivan. The report prepared by Frost & Sullivan and cited in this document was commissioned by us. The information from official government sources has not been independently verified by our Company, the Sole Sponsor, [**REDACTED**]*, any of our or their respective directors, officers, employees, agents or advisers or any other person or party involved in the* [**REDACTED**]*, and no representation is given as to its accuracy, fairness and completeness. For discussion of the risks relating to our industry, see "Risk Factors" in this document.*

OVERVIEW OF ONCOLOGY DRUG MARKET

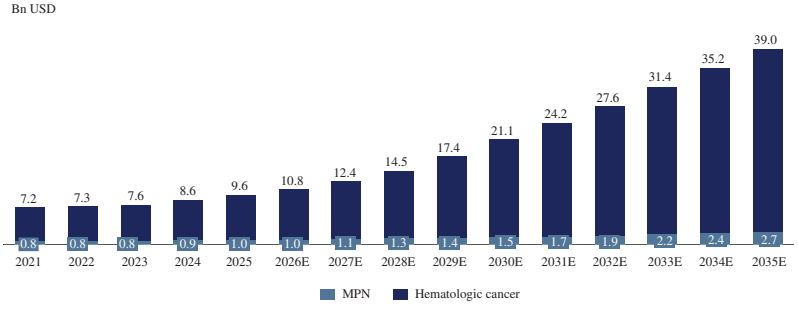
Cancer treatment has evolved from traditional approaches such as surgery, radiotherapy and chemotherapy toward precision medicine and immuno-oncology, driven by the pursuit of more effective and less invasive therapies. While surgery remains important for early-stage localized tumors, advances in cancer biology have led to increasing use of systemic treatments. Radiotherapy and chemotherapy broadened treatment options for both solid tumors and hematological malignancies, but often caused substantial side effects due to damage to healthy tissues. The oncology drug market in China was valued at USD38.8 billion in 2025 and is projected to reach USD136.3 billion by 2035. Globally, the oncology drug market was valued at USD278.2 billion in 2025 and is expected to reach USD683.0 billion by 2035.

Myeloproliferative Neoplasms Drug Market

MPNs are chronic blood cancers caused by abnormal proliferation of mature blood cells from dysregulated hematopoietic stem and progenitor cells, often driven by JAK2, CALR or MPL mutations that activate the JAK-STAT pathway. The main subtypes include myelofibrosis, which is associated with bone marrow fibrosis, anemia, splenomegaly and leukemia risk; polycythemia vera, which is characterized by excess red blood cells and increased thrombotic risk; and essential thrombocythemia, which involves persistently elevated platelets with thrombotic and bleeding complications. Across these diseases, treatment generally aims to control symptoms, reduce thrombotic risk, normalize blood counts, reduce spleen volume where relevant, and modify the underlying disease course. The following tables describe the hematologic malignancies and MPN drug market from 2021 to 2035 in China by indications:

China Hematologic Cancer and MPN Drug Market Size, 2021-2035E

Period	CAGR	
	Hematologic Cancer	MPN
2021-2025	7.5%	6.0%
2025-2030E	17.0%	10.1%
2030E-2035E	13.1%	11.9%

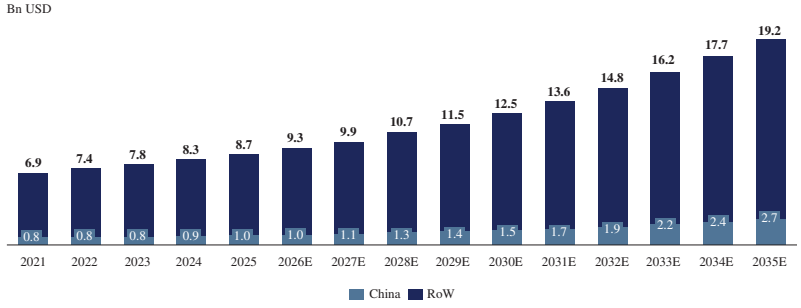


Source: Frost & Sullivan Analysis

The following table describes the MPNs drug market in China and globally from 2021 to 2035:

Global and China MPNs Market Size, 2021-2035E

Period	CAGR	
	China	Global
2021-2025	6.0%	5.9%
2025-2030E	10.1%	7.5%
2030E-2035E	11.9%	9.0%



Source: Frost & Sullivan Analysis

Growth Drivers and Future Trends of Myeloproliferative Neoplasm Drugs

According to Frost & Sullivan, the primary growth drivers and future trends for the myeloproliferative neoplasm drug market globally include:

- ***Increasing Prevalence.*** The global prevalence of MPNs increased from 5,323.0 thousand in 2021 to 6,070.7 thousand in 2025, representing a CAGR of 3.3%. This increase can be attributed to several factors, including ageing populations, longer life expectancy and obesity.

- ***Improving Affordability.*** The high costs associated with cancer management often add complexity to treatment. Enhancing affordability for patients is essential to advancing the oncology drug market by alleviating the financial strain of cancer care. Broader inclusion of innovative medications in both public and private insurance schemes has significantly increased patient access and made treatments more affordable. In China, NRDL dynamically expands oncology drug coverage, with 17-36 therapies added annually from 2020-2025. Enhanced reimbursement systems reduce patient financial burdens, improving treatment accessibility and propelling market growth.

- ***Precision Treatment and Targeted Drug Innovation.*** The advancement of precision oncology through biomarkers and innovative targets like JAK-2 and CD47, moving beyond traditional targets (EGFR/VEGFR). Targeted therapies tailored to genetic/protein profiles address diverse tumor subtypes, meeting unmet needs and driving market differentiation.

Concurrently, indication-level trends and drivers will create distinct trajectories across myeloproliferative neoplasm, including myelofibrosis, polycythemia vera, and essential thrombocythemia. Specifically:

- ***Myelofibrosis*** *Evolution of competitive landscape and advancement of treatment frontiers.* While JAK inhibitors remain the backbone of myelofibrosis therapy, newer JAK2-targeted agents and combination strategies are being developed to address key limitations of first-generation treatments, including cytopenias, tolerability issues, and limited disease-modifying effects. At the same time, JAK2-based regimens are being evaluated in biologically high-risk settings—such as post-polycythemia vera myelofibrosis, post-essential thrombocythemia myelofibrosis, and the pre-transplant setting—with the goal of achieving deeper disease control beyond symptom relief.

- ***Polycythemia Vera*** *Growing availability of disease-modifying and targeted therapies.* Opeginterferon alfa-2b — supported by long-term molecular and clinical benefits — is expanding from niche use to broader adoption as a disease-modifying therapy across both earlier-stage and higher-risk polycythemia vera. In parallel, newer JAK2-focused inhibitors and JAK-based combination strategies are improving hematopoietic control and symptom relief, extending beyond hydroxyurea-refractory settings and being increasingly evaluated in broader populations, including higher-risk and treatment-naïve patients. Together, these trends broaden the eligible patient pool, enable more proactive disease management, and expand the overall market opportunity.

- ***Essential Thrombocythemia*** *Precision medicine and mutation-driven management.* Treatment choices are increasingly tailored to mutation status, with JAK2, CALR and MPL guiding thrombotic risk and therapy selection. Selective JAK2 inhibitors can precisely target abnormal hematopoietic cell clones carrying driver mutations, achieving deep clearance and delaying progression to myelofibrosis. At the same time, these agents are shifting the therapeutic goals in ET from the traditional focus on "preventing and controlling thrombotic complications" to a higher-level paradigm of "reducing long-term thrombotic risk, improving patients' quality of life, and delaying disease progression."

JAK Inhibitors

The JAK family consists of four cytoplasmic tyrosine kinases—JAK1, JAK2, JAK3 and TYK2—that transmit extracellular cytokine signals through the JAK-STAT pathway. Upon cytokine binding, JAKs activate one another, phosphorylate receptor tails, recruit and activate STAT proteins, and thereby regulate gene transcription in the nucleus. Among them, JAK2 is particularly important in hematopoiesis, as it mediates signaling for receptors involved in red blood cell, platelet and myeloid cell development, making it a key regulator of blood cell production and immune maturation.

Mechanism of Action of JAK Inhibitors

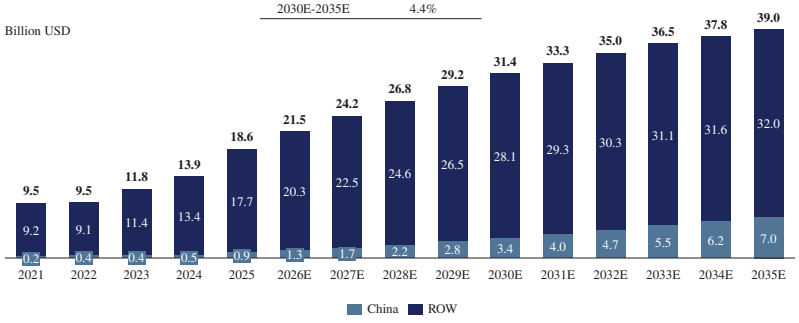
MPNs, including myelofibrosis, polycythemia vera and essential thrombocythemia, are largely driven by overactive JAK-STAT signaling, most commonly due to the JAK2-V617F mutation that constitutively activates cell proliferation and inflammatory pathways. Targeting JAK2 addresses the underlying disease biology by suppressing the abnormal signaling driving clonal expansion, cytokine production and splenomegaly, rather than only managing symptoms. Clinically, JAK inhibitors such as ruxolitinib have demonstrated effective second-line disease control in patients resistant or intolerant to hydroxyurea, including meaningful reductions in spleen size, symptom burden and potential survival benefit. Activation of the JAK-STAT pathway occurs when cytokine binding induces receptor dimerization, triggering JAK phosphorylation, STAT recruitment and activation, and downstream gene regulation governing cell growth, survival and inflammation.

Market Size of JAK Inhibitors

The following tables describe the JAK inhibitor market in China and globally from 2021 to 2035:

Global and China JAK Inhibitor Market Size, 2021-2035E

Period	CAGR
2021-2025	18.5%
2025-2030E	11.0%
2030E-2035E	4.4%



Source: Frost & Sullivan

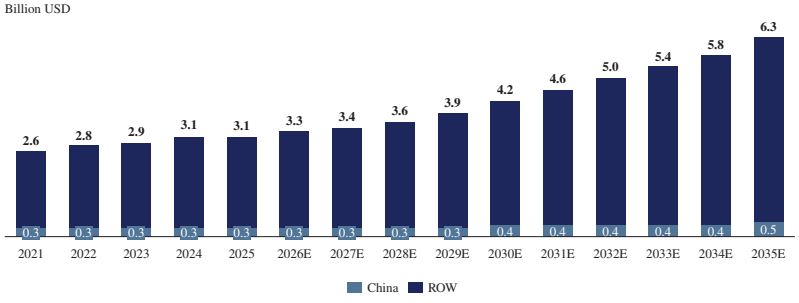
Major Indications for JAK Inhibitors in Hematologic Malignancies

Myelofibrosis

Myelofibrosis (MF) is a myeloproliferative neoplasm characterized by bone marrow fibrosis that impairs normal blood formation. It may arise as primary MF or evolve from polycythemia vera or essential thrombocythemia, driven by mutations such as JAK2, CALR or MPL that sustain JAK-STAT pathway activation. These abnormalities promote clonal proliferation and inflammatory signaling, leading to collagen deposition, anemia, splenomegaly, fatigue and constitutional symptoms, with disease progression ranging from indolent to high risk, including potential transformation to acute leukemia. The following table describes the MF drug market in China and globally from 2021 to 2035:

Global and China MF Market Size, 2021-2035E

Period	CAGR	
	China	Global
2021-2025	0.9%	4.5%
2025-2030E	4.1%	6.1%
2030E-2035E	5.4%	8.7%



Source: Frost & Sullivan

In China, the prevalence of MF reached 62.4 thousand in 2025, and is expected to reach 63.5 thousand in 2030 and 64.6 thousand in 2035, representing CAGRs of 0.4% from 2021 to 2025, 0.4% from 2025 to 2030 and 0.3% from 2030 to 2035. Globally, the prevalence of MF reached 994.9 thousand in 2025, and is expected to reach 1,135.8 thousand in 2030 and 1,288.7 thousand in 2035, representing CAGRs of 2.7% from 2021 to 2025, 2.7% from 2025 to 2030 and 2.6% from 2030 to 2035.

Treatment Paradigm of MF

In China, SOC treatment of MF patient follows risk stratification using MIPSS70 plus version 2 (risk score for MF). For low risk disease, Category II therapy with interferon is preferred, specifically polyethylene glycol interferon-α (CII) or pegylated interferon-α-2b (CII). For intermediate (-1 and -2) risk disease, Category I options are ruxolitinib or gecacitinib; Category II addresses symptomatic patients with hydroxyurea or selinexor, targets significant splenomegaly with interferon, selinexor, hydroxyurea, busulfan, cladribine, or melphalan, manages extramedullary hematopoiesis, PAH, or limb pain with radiotherapy, and treats portal hypertension with ruxolitinib; Category III uses prednisone for obvious symptoms and ruxolitinib for extramedullary hematopoiesis, PAH, or limb pain. For high risk disease, non-transplant candidates receive Category I ruxolitinib or gecacitinib plus supportive care, with supportive measures including gecacitinib, thalidomide or androgens with low-dose prednisone, and erythropoietin for anemia. Transplant candidates proceed to second-line Category I allogeneic hematopoietic stem cell transplantation, while non-transplant second-line options include Category II gecacitinib and Category III demethylating agents, selinexor, or restarting ruxolitinib after short interruptions. Symptom control targets splenomegaly, anemia, and extramedullary complications using the above agents. In the United States, platelet guided adoption of newer JAK inhibitors such as momelotinib and pacritinib has emerged as a first line approach, and these innovative JAK inhibitors can be integrated into the above Chinese framework alongside ruxolitinib or gecacitinib.

Under the Dynamic International Prognostic Scoring System (DIPSS), approximately 50%-60% of patients with myelofibrosis are classified as intermediate-2 or high risk (Int-2/High) at diagnosis, corresponding to a total score of 3-4 points and 5-6 points, respectively. For patients with intermediate-2/high-risk disease or symptomatic intermediate-1 risk, the first-line drug treatment rate approaches 100%. Bezacitinib, as a JAK inhibitor, is intended to be positioned as a first-line treatment for patients with intermediate-2/high-risk MF. Accordingly, the addressable population for Bezacitinib is expected to represent approximately 50%-60% of the overall MF patient population.

Competitive Landscape

As of the Latest Practicable Date, there were four approved JAK inhibitor drugs for the treatment of MF in overseas markets and four JAK inhibitor drugs had been approved in China for this indication. The following tables set forth the details of marketed JAK inhibitors for the treatment of MF in overseas markets and in China.

Overseas Marketed JAK inhibitor Drug for Treatment of MF

Genetic Name	Brand Name	Target	Company	Indications	First Approval Date	Price USD/Unit
Momelotinib	OJJAARA	JAK1, JAK2, ALK2	GSK	MF	2023-09-15	966.00 (100mg)
Pacritinib	VONJO	JAK2, FLT3, IRAK1, CSF1R, ALK2	SOBI	MF	2022-02-28	210.74 (100mg)
Fedratinib	INREBIC	FLT3, JAK2	BMS	MF	2019-08-16	234.84 (100mg)
Ruxolitinib	JAKAFI	JAK1, JAK2	INCYTE CORP	MF, PV, GVHD	2011-11-16	296.26 (100mg)

Source: FDA, F&S Analysis

China Marketed JAK Inhibitor Drug for Treatment of MF

Genetic Name	Brand Name	Target	Company	Indications	First Approval Date	NRDL Inclusion Year	Price RMB/Unit
Bezacitinib	Bangruishun (邦瑞顺)	JAK2	Hangzhou Bangshun	MF	2026-04-29	N.A.	N.A.
Rovadicitinib	Anxu (安煦)	JAK1, JAK2, ROCK1, ROCK2	CTTQ	MF	2026-02-25	N.A.	N.A.
Gecacitinib	Zepuping (泽普平)	JAK1, JAK2, JAK3, TYK2, ALK2	Suzhou Zelgen	MF	2025-05-29	2025	86.00 (50mg)
Ruxolitinib	Jakavi	JAK1, JAK2	Novartis	MF	2017-03-10	2019	51.85 (5mg)

Source: NMPA, F&S Analysis

As of the Latest Practicable Date, there were no clinical-stage JAK inhibitor drug candidates under development for the treatment of MF in overseas markets, whereas one clinical-stage JAK inhibitor drug candidate was being developed for MF in China.

China Competitive Landscape of JAK Inhibitor Pipelines for Treatment of MF

Pipeline	Target	Company	Phase	Indications	First Posted Date
Flonoltinib	CDK6, FLT3, JAK2	Chengdu Zenitar	III	Myelofibrosis	2025-12-24

Source: CDE, Company website, Literature research, F&S Analysis

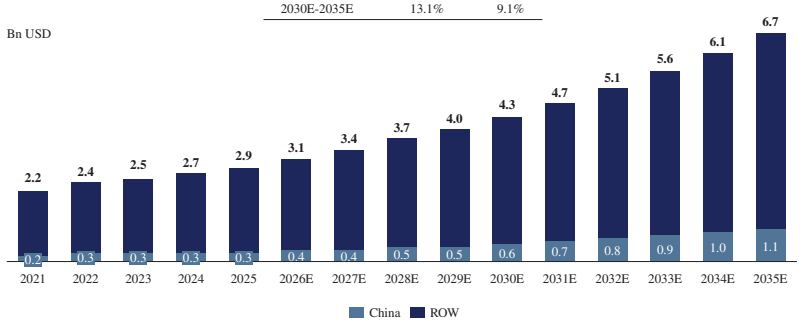
As a highly selective JAK2 inhibitor not metabolized by CYP, Bezacitinib offers lower off-target and drug-drug interaction risk than China-approved peers gecacitinib (JAK1/2/3, TYK2, ALK2) and ruxolitinib (JAK1/2), and a larger placebo-adjusted 24-week SVR35 benefit (48.5% vs gecacitinib's 38.4%), although its absolute SVR35 (62.8%) is numerically below gecacitinib (64.9%) and these are cross-trial, not head-to-head, comparisons.

Polycythemia Vera

Polycythemia vera (PV) is a myeloproliferative neoplasm characterized by persistent erythrocytosis, often accompanied by leukocytosis and thrombocytosis, and is driven in most cases by activating JAK2 mutations. Diagnosis is based on elevated hemoglobin or hematocrit, increased red cell mass, bone marrow hypercellularity with trilineage proliferation, and the presence of a JAK2 mutation, after excluding secondary causes of erythrocytosis. PV is associated with increased risks of arterial and venous thrombosis, bleeding, microvascular symptoms, pruritus, fatigue, night sweats and splenomegaly-related discomfort, and may reduce life expectancy through thrombotic events or progression to myelofibrosis or, less commonly, acute myeloid leukemia. The following table describes the PV drug market in China and globally from 2021 to 2035:

Global and China PV Drug Market Size, 2021-2035E

Period	CAGR	
	China	Global
2021-2025	7.9%	6.7%
2025-2030E	12.0%	8.3%
2030E-2035E	13.1%	9.1%



Source: Frost & Sullivan Analysis

In China, the prevalence of PV reached 207.2 thousand in 2025, and is expected to reach 247.0 thousand in 2030 and 293.4 thousand in 2035, representing CAGRs of 3.2% from 2021 to 2025, 3.6% from 2025 to 2030 and 3.5% from 2030 to 2035. Globally, the prevalence of PV reached 2,624.0 thousand in 2025, and is expected to reach 3,280.2 thousand in 2030 and 4,067.8 thousand in 2035, representing CAGRs of 4.3% from 2021 to 2025, 4.6% from 2025 to 2030 and 4.4% from 2030 to 2035.

Treatment Paradigm of PV

In China, management of PV is risk stratified by age and thrombotic history. Low risk patients, defined as under sixty years with no prior thrombosis, typically start with phlebotomy and low dose aspirin when not contraindicated. If cytoreduction is needed for symptom control or rising counts, interferon alpha 2b is the first line cytoreductive drug, with hydroxyurea or interferon alpha 2a as recommended alternatives. For inadequate response or intolerance, second line therapy switches to ruxolitinib or to an agent not previously used. High risk patients, defined as age sixty or older or with a thrombosis history, receive cytoreductive therapy up front. Hydroxyurea and peginterferon alpha 2b are the primary options, with recombinant interferon alpha 2a and ruxolitinib recommended in selected cases or after inadequate control. Disease progression triggers pathway specific management. Post-PV-MF is treated according to primary MF protocols, while accelerated or blast phase is managed as MPN accelerated phase or blast phase. In the US, JAK inhibitors such as ruxolitinib are a newer therapeutic class increasingly integrated for patients with inadequate response or intolerance to standard cytoreduction.

For PV, first-line cytoreductive therapy typically includes hydroxyurea. Approximately 25% of PV patients develop resistance or intolerance after hydroxyurea treatment, which is defined as loss of efficacy, disease progression or unacceptable toxicities, thereby requiring second-line therapy. Bezacitinib, as a JAK inhibitor, is intended to be positioned as a second-line treatment for patients with hydroxyurea-resistant or intolerant PV. Accordingly, the addressable population for Bezacitinib is estimated to represent approximately 25% of the overall PV patient population.

Competitive Landscape

As of the Latest Practicable Date, ruxolitinib remained the only approved JAK inhibitor for the treatment of PV in overseas markets and was not marketed in China. The following tables set forth the details of marketed JAK inhibitor for the treatment of PV in overseas markets.

Overseas Marketed JAK Inhibitor Drug for Treatment of PV

Genetic Name	Brand Name	Target	Company	Indications	First Approval Date	Price USD/Unit
RUXOLITINIB	JAKAFI	JAK1, JAK2	INCYTE CORP	PV, MF, GVHD	2011-11-16	296.26 (100mg)

Source: FDA, F&S Analysis

As of the Latest Practicable Date, there were two clinical-stage JAK inhibitor drug candidates under development for the treatment of PV in overseas markets and two in China. Among these candidates, bezacitinib had reached Phase III and was the most clinically advanced.

Overseas Competitive Landscape of JAK Inhibitor Pipelines for Treatment of PV

Pipeline	Target	Company	Phase	Indications	First Posted Date
PRT12396	JAK2 V617F	Prelude Therapeutics	I	Polycythaemia Vera	2026-03-13
ZE74-0282	JAK2 V617F	Eilean Therapeutics	I	Polycythaemia Vera	2026-02-20

Source: Clinicaltrials.gov, Company website, Literature research, F&S Analysis

China Competitive Landscape of JAK Inhibitor Pipelines for Treatment of PV

Pipeline	Target	Company	Phase	Indications	First Posted Date
Bezacitinib	JAK2	Our Company	III	Polycythaemia Vera	2024-04-01
Flonoltinib	CDK6, FLT3, JAK2	Zenitar	II	Polycythaemia Vera	2025-09-10

Source: CDE, Frost & Sullivan

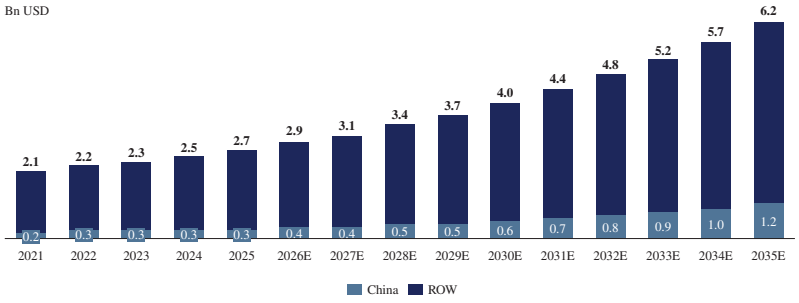
As of the Latest Practicable Date, no JAK inhibitor had been approved for PV in China, while ruxolitinib (JAK1/2) was the only JAK inhibitor approved for PV in overseas markets. Bezacitinib, a highly selective JAK2 inhibitor not metabolized by CYP, was the most clinically advanced JAK inhibitor candidate for PV in China, at Phase III, while flonoltinib, a CDK6/FLT3/JAK2 inhibitor, was at Phase II. In separate clinical trials, bezacitinib reported a 24-week SVR35 of 56.3%, while ruxolitinib reported an SVR35 of 38% at week 32. However, as these results are derived from separate trials with differing designs, assessment timepoints and patient populations rather than head-to-head studies, such cross-trial comparisons are subject to inherent limitations.

Essential Thrombocythemia

Essential thrombocythemia (ET) is a chronic myeloproliferative neoplasm characterized by persistent thrombocytosis, absence of BCR-ABL1, and increased large mature megakaryocytes in the bone marrow. It is driven by hyperactive JAK-STAT signaling, most commonly through JAK2, CALR or MPL mutations, with additional genetic alterations contributing to disease phenotype and progression. Patients may be asymptomatic or present with microvascular symptoms such as headache, dizziness and erythromelalgia, and face risks of thrombosis and, less commonly, bleeding. Treatment primarily aims to prevent thrombotic and hemorrhagic complications while reducing the risk of progression to myelofibrosis or, rarely, acute myeloid leukemia. The following table describes the ET drug market in China and globally from 2021 to 2035:

Global and China ET Drug Market Size, 2021-2035E

Period	CAGR	
	China	Global
2021-2025	9.5%	6.6%
2025-2030E	12.6%	8.3%
2030E-2035E	13.9%	9.2%



Source: Frost & Sullivan Analysis

In China, the prevalence of ET reached 295.7 thousand in 2025, and is expected to reach 322.8 thousand in 2030 and 351.2 thousand in 2035, representing CAGRs of 1.7% from 2021 to 2025, 1.8% from 2025 to 2030 and 1.7% from 2030 to 2035. Globally, the prevalence of ET reached 2,459.7 thousand in 2025, and is expected to reach 2,808.0 thousand in 2030 and 3,186.0 thousand in 2035, representing CAGRs of 2.7% from 2021 to 2025, 2.7% from 2025 to 2030 and 2.6% from 2030 to 2035.

Treatment Paradigm of ET

In China, SOC of ET is stratified by age and thrombotic history. Low risk patients, defined as under sixty years with no prior thrombosis, receive cardiovascular risk control and daily aspirin at eighty to one hundred milligrams when not contraindicated. Cytoreduction is added if counts or symptoms warrant, using hydroxyurea, recombinant interferon alpha 2a, or anagrelide. High risk patients, defined as age sixty or older or with a history of thrombosis, start with the same foundation of cardiovascular risk control plus aspirin, and proceed to cytoreductive therapy with hydroxyurea, recombinant interferon alpha 2a, or anagrelide as first line choices. If response is inadequate or intolerance arises, second line therapy rotates among these agents according to efficacy, tolerability, pregnancy plans, and comorbidities. In selected refractory or intolerant cases, particularly with symptomatic splenomegaly or significant constitutional symptoms, JAK inhibitors may be used off label to achieve symptom control. Disease evolution is managed by pathway, with post-ET-MF treated as primary MF and accelerated or blast phase managed under MPN accelerated or blast phase protocols. In the US, JAK inhibitors are emerging therapies increasingly incorporated for patients with inadequate control or intolerance to standard cytoreduction.

In ET, cytoreductive therapy such as hydroxyurea or interferon is typically used for intermediate- to high-risk patients, who represent approximately 50%-60% of the overall ET population. Among these patients, published studies suggest that approximately 20% may develop hydroxyurea resistance or intolerance and require treatment escalation, while clinical studies of pegylated interferon α-2a have reported treatment discontinuation due to adverse events in approximately 13.9% of patients. Bezacitinib, as a JAK inhibitor, is intended to be positioned as a second-line and beyond (2L+) treatment option for patients with hydroxyurea resistance or intolerance and/or interferon intolerance, with the addressable population therefore estimated to represent approximately 10%-20% of the overall ET patient population.

Competitive Landscape

As of the Latest Practicable Date, no JAK inhibitor drug had been approved for the treatment of ET either in overseas markets or in China. As of the same date, bezacitinib remained the only clinical-stage JAK inhibitor drug candidate under development for ET in China and there were no clinical-stage JAK inhibitor drug candidates in overseas markets.

China Competitive Landscape of JAK Inhibitor Pipelines for Treatment of ET

Pipeline	Target	Company	Phase	Indications	First Posted Date
Bezacitinib	JAK2	Our Company	II	Essential Thrombocythemia	2025-07-04

Source: CDE, Frost & Sullivan

Overview of Major JAK Inhibitors in Hematologic Malignancies

The table below provides an overview of approved JAK inhibitors and JAK inhibitor drug candidates for major indications in hematologic malignancies, together with a comparison of key product characteristics, including their respective advantages and limitations.

	Bezacitinib	Ruxolitinib	Fedratinib	Pacritinib	Momelotinib	Gecacitinib	Flonoltinib	Rovadicitinib
Target	Highly Selective JAK2	JAK1, JAK2	FLT3, JAK2	CSF1R, IRAK1, JAK2, FLT3	JAK1, JAK2, ACVR1, ALK2	JAK1, JAK2, JAK3, TYK2, ACVR1	JAK2, FLT3, CDK8	JAK1, JAK2, ROCK1, ROCK2
Indication	MF, PV, ET, GvHD	In US: MF, PV, GvHD In China: MF, GvHD	MF	MF	MF	MF	MF, PV	MF, cGvHD, aGvHD
Efficacy	• MF: 24w SVR35: 62.8% (14.3%) • PV: 24w SVR35: 56.3%	• MF: 24w SVR≥35: 41.9% • PV: 32w SVR35: 38%	• MF: 24w SVR35: 47%	• MF: 24w: SVR35: 29%	• MF: 24w SVR35: 31%	• MF: 24w SVR35: 64.9% (vs control group of 26.5%)	• MF: 24w SVR35: 83.3%	• MF: 24w SVR35: 75%
Metabolism/ DDI (Drug-Drug Interaction)	Not metabolized by CYP, reduce DDI related risks	Metabolised by CYP3A4	Mainly metabolised by CYP3A4, CYP2C19, and FMO3	Mainly metabolised by CYP3A4	Metabolized by CYP3A4, CYP2C8/9/19, and CYP1A2	NA	CYP inhibition (CYP2C19, CYP2C9, CYP3A4), high DDI risks	Mainly metabolised by CYP3A4
Safety Profile	Common AEs: anemia, and thrombocytopenia; no drug-specific or off-target toxicities	Common AEs: anemia, thrombocytopenia	Common AEs: anemia, thrombocytopenia, and elevated lipase.	Common AEs: diarrhea, nausea, anemia, thrombocytopenia	Common AEs: thrombocytopenia, diarrhea, bleeding, fatigue, nausea	Common AEs: anemia, thrombocytopenia, leukopenia	Common AEs: thrombocytopenia, anemia	Common AEs: thrombocytopenia, anemia
Administration	20mg BID	20mg BID	400mg BID	200mg BID	200mg BID	100mg BID	100mg QD	15mg BID

Notes: Bezacitinib does not have head-to-head clinical trials with existing JAK inhibitors; flonoltinib (6/8) and rovadicitinib (25/30) results are based on early-phase (Phase I/Ib/IIa) trials with small patient cohorts; the difference between the control and bezacitinib groups was 48.5%, while that between the control and gecacitinib groups was 38.4%.

Source: Literature Review; Frost & Sullivan

OVERVIEW OF AUTOIMMUNE DISEASES

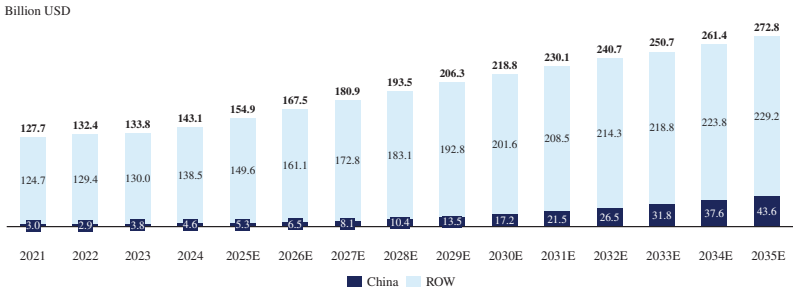
Autoimmune diseases are chronic disorders in which persistent or misdirected immune activation damages healthy tissues, causing significant clinical and economic burden across multiple organ systems. The indications covered in this document include immune-mediated hematologic, dermatologic and gastrointestinal disorders, as well as myeloproliferative neoplasms with prominent inflammatory features. Examples include ITP and AIHA, chronic spontaneous urticaria, rheumatoid arthritis, inflammatory bowel disease, graft-versus-host disease, and MPNs such as myelofibrosis, polycythemia vera and essential thrombocythemia. Treatment has evolved from broad symptom control with NSAIDs and glucocorticoids to disease-modifying therapies, including conventional DMARDs, biologics targeting TNF and key interleukins, and more recently targeted synthetic therapies such as JAK and BTK inhibitors. Overall, the field has shifted toward mechanism-based treatments aimed at more effective and durable disease control.

Market Size of Autoimmune Diseases Drug

The following table describes the global autoimmune drug market from 2021 to 2035:

Global Autoimmune Drugs Market, 2021-2035E

Period	Global	China
2021-2025	4.95%	15.28%
2025-2030E	7.15%	26.60%
2030E-2035E	4.51%	20.44%



Source: Frost & Sullivan

Growth Drivers and Future Trends of Autoimmune Diseases Drug Market

The autoimmune diseases drug market is entering a phase of broad, rapid evolution shaped by both trends and driving factors. Specifically:

- ***Development of autoimmunity.*** Advances in elucidating autoimmune pathogenesis and validating biomarkers are enabling rationally designed, targeted therapies. Notable progress includes small-molecule inhibitors and biologics that selectively modulate cytokines and intracellular signaling (e.g., JAK-STAT, TYK2), central to conditions such as rheumatoid arthritis, psoriasis, and atopic dermatitis. By benefiting patients refractory or intolerant to conventional immunosuppression, these precision approaches shift standards of care, improve risk-benefit profiles, enable earlier intervention, and catalyze sustained market growth.

- ***Targeted Therapy Upgrades with Multi-target Inhibitors.*** Next-generation dual- and multi-target small molecules and bispecific biologics are improving precision by concurrently modulating complementary immune pathways (e.g., JAK-TYK2, IL-17/IL-23). By addressing incomplete responses, relapse, and resistance seen with single-target agents, they deliver deeper, more durable disease control with lower off-target toxicity. These high-specificity, high-potency therapies meet unmet needs for efficacy and safety, support earlier intervention and steroid-sparing regimens, and are poised to accelerate adoption and market growth as evidence from pivotal trials matures.

- ***Enhanced Patient Compliance with Oral Administration and Sustained-release Technologies.*** Oral BTK inhibitors (rilzabrutinib and others) and other kinase inhibitors are reshaping autoimmune care by improving convenience, adherence, and pharmacologic stability. Orally delivered targeted agents enable rapid attainment of therapeutic levels and earlier disease control, while long-acting formulations reduce dosing frequency, smooth peak-trough variability, and enhance persistence. Together, these delivery advances lessen injection burden, support steroid-sparing strategies, and improve real-world effectiveness. Ongoing innovation in extended-release, depot, and programmable delivery systems is expected to further raise adherence and fuel market uptake.

Concurrently, indication-level trends and drivers will create distinct trajectories across immunologic thrombocytopenic purpura, chronic urticaria and autoimmune hemolytic anemia. Specifically:

- ***Graft-versus-host Disease*** *Earlier-Line adoption and rational combinations poised to reshape GVHD treatment algorithms.* Earlier use and rational combinations of innovative agents are set to redefine GVHD treatment. Effective targeted therapies are moving from later lines to earlier settings as steroid-sparing or steroid-minimizing options. Pairing targeted agents with reduced-dose steroids or other immunomodulators aims to improve response durability, mirroring trends in other immune-mediated diseases.

- ***Immunologic Thrombocytopenic Purpura*** *Precision immunology and biomarker-guided care.* Care is shifting toward mechanistic endotypes, distinguishing autoantibody-driven destruction, impaired thrombopoiesis, and T-cell dysregulation to anticipate response. Better assays, including platelet autoantibody panels, innate cell activation readouts, and cytokine signatures, will stratify patients and guide targeted agents. Trials will increasingly enroll by biomarker-defined subgroups to boost response rates and support precision labeling.

- ***Chronic Urticaria*** *Transformation of treatment paradigm and therapeutic innovation.* New mechanisms are reshaping care, with agents like the BTK inhibitor remibrutinib showing promising results in patients unresponsive to antihistamines. As many patients remain refractory to standard options such as second-generation H1 antihistamines or biologics, these innovative targets aim to deliver stronger, more consistent responses and broaden coverage for hard-to-treat populations, signaling a clear shift toward more effective, mechanism-driven therapy.

- ***Autoimmune Hemolytic Anemia*** *Earlier, more accurate diagnosis enables timely treatment.* By strengthening early recognition and diagnostic accuracy of AIHA, more patients can be identified quickly and reliably, increasing the treatable population and enabling timely initiation of appropriate therapies at earlier disease stages. Clear patient segmentation further defines which individuals should receive high-value treatments and when, improving clinical outcomes while expanding equitable access.

JAK Inhibitors

JAK inhibitors suppress dysregulated cytokine signaling that drives autoimmunity and inflammation by blocking JAK-STAT pathway activation. This reduces pro-inflammatory gene transcription, dampens activation of macrophages, dendritic cells and pathogenic lymphocyte responses, and decreases chemokine-mediated recruitment of inflammatory cells to tissues. JAK blockade may also lessen inflammasome priming, endothelial activation and vascular inflammation. Through this broad but reversible modulation of convergent immune pathways, JAK inhibitors can help control both systemic and tissue-specific autoimmune inflammation. For more details of JAK inhibitors, please refer to paragraphs "Overview of Oncology Drug Market — JAK Inhibitors" in this section.

Major Indications for JAK Inhibitors in Autoimmune Diseases

Graft-Versus-Host Disease

Graft-versus-host disease (GVHD) is a systemic inflammatory complication of allogeneic hematopoietic stem cell transplantation in which donor lymphocytes recognize recipient antigens as foreign and mount an immune attack that can damage multiple organs. There are two subtypes: acute graft-versus-host disease (aGVHD) and chronic graft-versus-host disease (cGVHD). aGVHD is an early, inflammation-dominant process; cGVHD is later, autoimmune-like with progressive fibrosis and multi-organ dysfunction.

In China, the incidence of aGVHD reached 9.7 thousand in 2025, and is expected to reach 14.9 thousand in 2030 and 24.9 thousand in 2035, representing CAGRs of 7.4% from 2021 to 2025, 8.8% from 2025 to 2030 and 10.9% from 2030 to 2035. Globally, the incidence of aGVHD reached 57.4 thousand in 2025, and is expected to reach 78.3 thousand in 2030 and 109.7 thousand in 2035, representing CAGRs of 9.5% from 2021 to 2025, 6.4% from 2025 to 2030 and 7.0% from 2030 to 2035. In China, the prevalence of cGVHD reached 15.5 thousand in 2025, and is expected to reach 34.7 thousand in 2030 and 73.4 thousand in 2035, representing CAGRs of 9.4% from 2021 to 2025, 17.5% from 2025 to 2030 and 16.2% from 2030 to 2035. Globally, the prevalence of cGVHD reached 104.2 thousand in 2025, and is expected to reach 192.8 thousand in 2030 and 315.5 thousand in 2035, representing CAGRs of 12.8% from 2021 to 2025, 13.1% from 2025 to 2030 and 10.3% from 2030 to 2035.

In aGVHD, patients are clinically stratified by severity grades, with Grade II-IV defined as moderate-to-severe disease. Globally, approximately 40%-50% of patients with Grade II-IV aGVHD develop steroid-refractory or steroid-dependent disease requiring second-line or beyond treatment after first-line corticosteroid therapy, while a clinical cohort study in China reported that approximately 65% of Grade II or higher patients were assessed by clinicians as requiring second-line therapy. Bezacitinib, as a JAK inhibitor, is intended to be positioned for the treatment of steroid-refractory or steroid-dependent aGVHD, with the addressable population therefore estimated to represent approximately 40%–50% of the overall aGVHD patient population globally, and ~65% in China.

In cGVHD, patients with moderate-to-severe disease are typically treated with systemic corticosteroids as first-line therapy; however, globally more than 50% of patients develop steroid resistance or steroid dependence within two years, necessitating second-line or subsequent therapies due to inadequate efficacy, relapse or inability to safely taper steroids. In China, approximately 80% of patients require second-line or later-line treatments, and nearly half eventually receive third-line or beyond therapies. CX1440, as a BTK inhibitor, is intended to be positioned for the treatment of steroid-refractory or steroid-dependent moderate-to-severe cGVHD, with the addressable population therefore estimated to represent more than 50% of the overall cGVHD patient population globally, and ~80% in China.

Treatment paradigm of GVHD

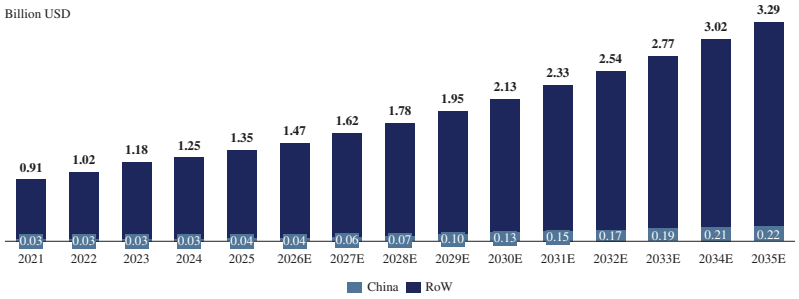
Acute GVHD

Systemic glucocorticoids remain the standard first-line therapy for grade II–IV aGVHD; however, their effectiveness is below 50%, and only approximately one-third of responders sustain remission. Mesenchymal stromal cell (MSC) infusion may be used as a second- or third-line option for glucocorticoid-refractory aGVHD, including cases resistant to multiple second-line agents, with reported effectiveness rates of approximately 57%-73%. In addition, multicentre, prospective, randomised controlled studies conducted in China reported a significantly higher overall effectiveness rate for MSCs combined with basiliximab than for basiliximab alone in glucocorticoid-refractory aGVHD.

The following table describes the aGVHD drug market in China and globally from 2021 to 2035:

Global aGVHD Drug Market Size, 2021-2035E

Period	CAGR	
	China	Global
2021-2025	9.1%	10.3%
2025-2030E	27.5%	9.5%
2030E-2035E	12.3%	9.1%



Source: Frost & Sullivan Analysis

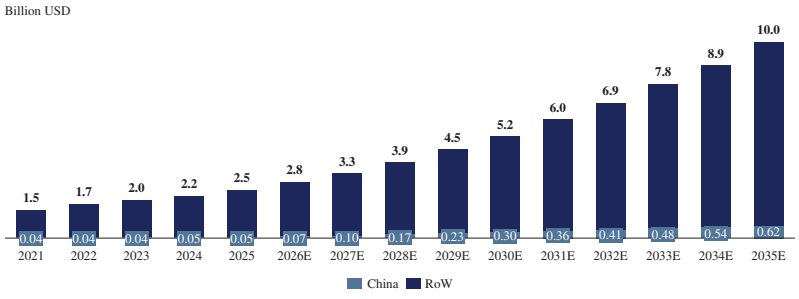
Chronic GVHD

Not all patients with cGVHD require systemic therapy at diagnosis. Mild disease may be managed with observation or local treatment, whereas moderate-to-severe disease requires systemic therapy. For first-line treatment of moderate-to-severe cGVHD, glucocorticoids alone or in combination with calcineurin inhibitors remain the standard of care, with an effectiveness rate of approximately 50%. For patients who fail first-line therapy, targeted agents have become available as second-line options: both the JAK1/JAK2 inhibitor ruxolitinib and the ROCK2 inhibitor belumosudil have been approved by the NMPA for cGVHD (ruxolitinib being recommended by guidelines as a preferred second-line option), while the BTK inhibitor ibrutinib is approved for cGVHD in certain overseas markets but, as at the Latest Practicable Date, has not been approved by the NMPA for this indication. Mesenchymal stromal cell therapy is likewise recommended as a second-line option, with reported remission rates of approximately 57.1%-73.7%.

The following table describes the cGVHD drug market in China and globally from 2021 to 2035:

Global cGVHD Drug Market Size, 2021-2035E

Period	CAGR	
	China	Global
2021-2025	8.6%	13.6%
2025-2030E	40.5%	16.4%
2030E-2035E	15.8%	13.8%



Source: Frost & Sullivan Analysis

Competitive Landscape

As of the Latest Practicable Date, one JAK inhibitor drug had been approved for the treatment of GVHD in overseas markets and in China. The following tables set forth the details of marketed JAK inhibitor drug for the treatment of GVHD in overseas markets and in China.

Overseas Marketed JAK Inhibitor Drugs for Treatment of GVHD

Genetic Name	Brand Name	Target	Company	Approved Indications	First Approval Date	Price USD/Unit
RUXOLITINIB	JAKAFI	JAK1, JAK2	INCYTE CORP	GVHD	2011-11-16	296.26 (100mg)

Source: FDA, F&S Analysis

China Marketed JAK Inhibitor Drug for Treatment of GVHD

Genetic Name	Brand Name	Target	Company	Approved Indications	First Approval Date	NRDL Inclusion Year	Price RMB/Unit
Ruxolitinib	Jakavi	JAK1 , JAK2	Novartis	GVHD	2017-03-10	2019	51.85 (5mg)

Source: Frost & Sullivan

As of the Latest Practicable Date, bezacitinib remained the only clinical-stage JAK inhibitor drug candidate under development for GVHD in China and there were no clinical-stage JAK inhibitor drug candidates for GVHD in overseas markets.

China Competitive Landscape of JAK Inhibitor Pipelines for Treatment of GVHD

Pipeline	Target	Company	Phase	Indications	First Posted Date
Bezacitinib	JAK2	Our Company	I/II	GVHD	2022-03-15

Source: Frost & Sullivan

As of the Latest Practicable Date, ruxolitinib was the only JAK inhibitor approved for GVHD in China, while bezacitinib was the only clinical-stage JAK inhibitor candidate under development for GVHD in China, at Phase I/II, for steroid-refractory or steroid-dependent aGVHD. Bezacitinib is a highly selective JAK2 inhibitor and is not metabolized by CYP.

BTK Inhibitors

BTK inhibitors are targeted therapies that block BTK, a key kinase in B-cell receptor signaling that regulates B-cell activation, survival and migration. Because abnormal BTK signaling drives many B-cell malignancies, BTK has become a validated therapeutic target. First-generation and newer, more selective BTK inhibitors have shown strong efficacy in diseases such as chronic lymphocytic leukemia, mantle cell lymphoma and Waldenström macroglobulinemia, although toxicities and resistance remain important challenges. Current development focuses on improving selectivity and overcoming resistance, including through noncovalent inhibitors active against C481 mutations.

Mechanism of Action of BTK Inhibitors

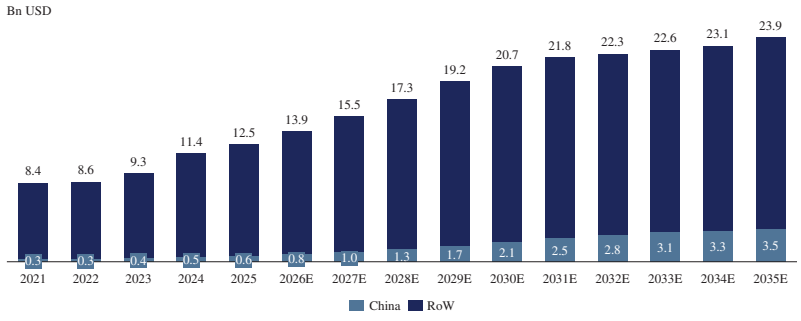
BCR signaling programs gene expression that enables clonal expansion, differentiation into plasma and memory cells, and survival, thereby underpinning antigen specific antibody production and adaptive responses. In B cell lymphomas, this circuitry becomes pathologic when BTK sustains continuous transmission of BCR signals to effector pathways such as NF-κB and MAPK, maintaining pro survival and pro proliferation transcription. BTK inhibitors interrupt this constitutive signaling, attenuate the downstream transcriptional program, and thereby impair malignant B cell growth and viability.

Market Size of BTK Inhibitors

The following tables describe the BTK inhibitors drug market from 2021 to 2035 in China and globally:

Global and China BTK Inhibitor Market Size, 2021-2035E

Period	CAGR	
	China	Global
2021-2025	20.6%	10.5%
2025-2030E	28.3%	10.7%
2030E-2035E	11.0%	2.9%



Source: Frost & Sullivan

Major Indications for BTK Inhibitors in Autoimmune Diseases

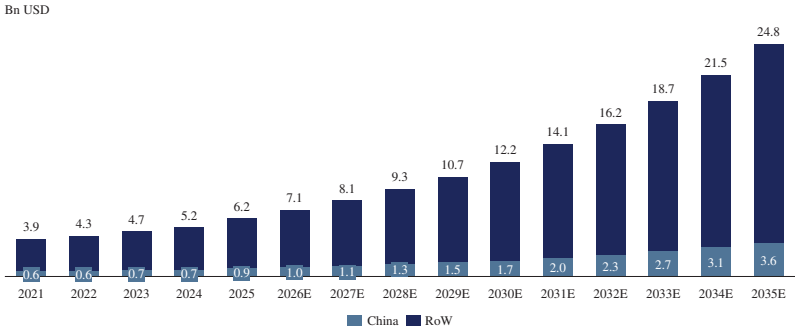
Immunologic Thrombocytopenic Purpura

Immune thrombocytopenia (ITP) is an autoimmune disorder characterized by low platelet counts caused by increased platelet destruction and impaired platelet production. Diagnosis is primarily clinical and requires exclusion of secondary causes such as infection, medications, liver disease or other autoimmune disorders. Patients may present with petechiae, purpura and mucosal bleeding, with severe cases carrying a risk of intracranial hemorrhage. In adults, ITP often follows a chronic course and is more common in women.

The following table describes the ITP drug market in China and globally from 2021 to 2035:

Global and China ITP Drug Market Size, 2021-2035E

Period	CAGR	
	China	Global
2021-2025	11.5%	11.8%
2025-2030E	15.5%	14.7%
2030E-2035E	15.8%	15.2%



Source: Frost & Sullivan

In China, the prevalence of ITP reached 216.4 thousand in 2025, and is expected to reach 220.3 thousand in 2030 and 223.4 thousand in 2035, representing CAGRs of 0.5% from 2021 to 2025, 0.4% from 2025 to 2030 and 0.3% from 2030 to 2035. Globally, the prevalence of ITP reached 1,103.9 thousand in 2025, and is expected to reach 1,183.2 thousand in 2030 and 1,261.8 thousand in 2035, representing CAGRs of 1.5% from 2021 to 2025, 1.4% from 2025 to 2030 and 1.3% from 2030 to 2035.

Treatment Paradigm of ITP

In China, first line therapy for immune thrombocytopenia uses corticosteroids to quickly raise platelets, typically prednisone or high dose dexamethasone; intravenous immunoglobulin is added for rapid hemostatic support or steroid intolerance. With inadequate response or relapse, second line options include thrombopoietin stimulating agents such as recombinant human thrombopoietin and eltrombopag to boost platelet production, and rituximab to suppress immune mediated destruction. Selected patients may receive recombinant human thrombopoietin plus rituximab to deepen or prolong responses. Care is individualized by bleeding risk, comorbidities, and disease phase. In the US, BTK inhibitors have emerged as an innovative treatment class integrated into second line strategies.

In ITP, first-line therapy typically includes corticosteroids and/or intravenous immunoglobulin (IVIG); however, globally approximately 15%-20% of patients are refractory to or relapse after standard first-line treatment and therefore require second-line or subsequent therapies. CX1440, as a BTK inhibitor, is intended to be positioned for patients whose response to corticosteroids and/or IVIG cannot be sustained, with the addressable population therefore estimated to represent approximately 15%-20% of the overall ITP patient population globally. In China, publicly available studies do not clearly quantify the proportion of ITP patients receiving second-line or later-line treatment.

Competitive Landscape

As of the Latest Practicable Date, one BTK inhibitor drug was approved for the treatment of ITP in overseas markets and no BTK inhibitor drug had been approved in China for this indication. The following tables set forth the details of marketed drug for the treatment of ITP in overseas markets.

Overseas Marketed BTK Inhibitor Drug for Treatment of ITP

Genetic Name	Brand Name	Target	Company	Approved Indications	First Approval Date	Price USD/Unit
Rilzabrutinib	Wayrilz	BTK	GENZYME	ITP	2025 -08 -29	285.03 (400mg)

Source: FDA, F&S Analysis

As of the Latest Practicable Date, pirtobrutinib remained the only clinical-stage BTK inhibitor drug candidate under development for ITP in overseas markets. In China, six clinical-stage BTK inhibitor drug candidates were under development for ITP.

Competitive Landscape of BTK Inhibitor Pipelines for Treatment of ITP in Overseas Markets

Pipeline	Target	Company	Phase	Indication	First Posted Date
Pirtobrutinib	BTK	Eli Lilly	I/II	ITP	2024/12/6

Source: Clinical Trial, Frost & Sullivan

China Competitive Landscape of BTK Inhibitor Pipelines for Treatment of ITP

Pipeline	Target	Company	Phase	Indication	First Posted Date
Rilzabrutinib	BTK	Sanofi/Genzyme	NDA	ITP	2024-12-30
Orelabrutinib	BTK	InnoCare	NDA	ITP	2023-07-17
CX1440	BTK	Our Company	III	ITP	2025-08-22
DZD8586	BTK/LYN	Dizal Pharmaceuticals	II	ITP	2025-12-19
HZ-A-018	BTK	HangZhou HealZen	II	ITP	2025-10-24
Pirtobrutinib	BTK	Eli Lilly	I/II	ITP	2025-09-11

Source: CDE, Company website, Literature research, F&S Analysis

As of the Latest Practicable Date, rilzabrutinib was the only BTK inhibitor approved for ITP in overseas markets, while no BTK inhibitor had been approved for ITP in China. CX1440 was among the most clinically advanced domestic BTK inhibitor candidates for ITP, at Phase III.

Overview of Major BTK Inhibitors in ITP

The table below provides an overview of approved BTK inhibitors and BTK inhibitor drug candidates in ITP, together with a comparison of key product characteristics, including their respective advantages and limitations.

	CX1440	Rilzabrutinib	Orelabrutinib
Target	BTK	BTK	BTK
Efficacy	• 24w Platelet Response Rate: 41.2%	• 24w Durable Platelet Response Rate: 23.3%	• 24w Platelet Response Rate: 36%
Safety Profile	• Common adverse reactions associated with BTK inhibitors (such as diarrhea, nausea, and fatigue) were rarely observed • To date, no serious adverse reactions or fatalities have been reported.	• Common AEs: Diarrhea, nausea, headache, abdominal pain, and COVID-19 • Severe infections: Increased incidence, including one fatal case of pneumonia	• Common AEs: Neutropenia, anemia, thrombocytopenia, febrile neutropenia, and pulmonary infection.

Notes: CX1440 does not have long-term safety and efficacy data, and head-to-head clinical trials with existing BTK inhibitors

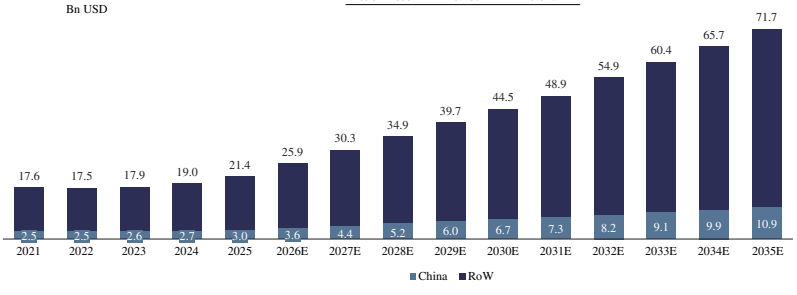
Source: Literature Review; Frost & Sullivan Analysis

Chronic Urticaria

Chronic urticaria (CU) is a common allergic skin disorder defined by transient, intensely pruritic wheals that are slightly raised and range from millimeters to centimeters, often appearing and resolving within hours and sometimes accompanied by angioedema. It may occur spontaneously or be induced by specific stimuli, including physical factors. The following table describes the CU drug market in China and globally from 2021 to 2035:

Global and China CU Drug Market Size, 2021-2035E

Period	CAGR	
	China	Global
2021-2025	5.05%	5.07%
2025-2030E	17.36%	15.72%
2030E-2035E	10.20%	10.01%



Source: Frost & Sullivan

In China, the prevalence of CU reached 39.6 million in 2025, and is expected to reach 41.3 million in 2030 and 42.2 million in 2035, representing CAGRs of 0.8% from 2021 to 2025, 0.8% from 2025 to 2030 and 0.4% from 2030 to 2035. Globally, the prevalence of CU reached 94.1 million in 2025, and is expected to reach 98.8 million in 2030 and 103.3 million in 2035, representing CAGRs of 1.1% from 2021 to 2025, 1.0% from 2025 to 2030 and 0.9% from 2030 to 2035.

Treatment Paradigm of CU

In China, CU management begins with standard dose second generation H1 antihistamines. If control is inadequate, the dose is increased up to fourfold, and combination with another antihistamine can be considered. For patients who remain symptomatic, add on biologic or immunosuppressive therapy is recommended, typically omalizumab or ciclosporin, with short courses of glucocorticoids as rescue for severe flares. Therapy is stepped and individualized to minimize sedation, maintain daily functioning, and reduce angioedema and wheal burden. In the US, a similar stepwise pathway is used, and BTK inhibitors have emerged as a new treatment option incorporated alongside advanced lines of therapy.

In CU, which includes CSU and CIU, standard-dose second-generation H1 antihistamines are recommended as first-line therapy for a treatment period of approximately one to two weeks; however, globally such treatment achieves symptom control in approximately 43% of patients, leaving around 50%-60% of patients requiring treatment escalation due to inadequate response. Similarly, studies in China indicate that standard-dose H1 antihistamines achieve complete symptom control in less than half of CSU patients, with more than 50% requiring second-line or subsequent therapies. CX1440, as a BTK inhibitor, is intended to be positioned for patients with CU whose symptoms are inadequately controlled by H1 antihistamines, with the addressable population therefore estimated to represent approximately 50%-60% of the overall CU patient population globally, and 50%+ in China.

Competitive Landscape

As of the Latest Practicable Date, one BTK inhibitor drug was approved for the treatment of CU (including CSU and CIU) in overseas markets with one approved BTK inhibitor in China. As of the same date, there were two clinical-stage BTK inhibitor drug candidates for CU (including CSU and CIU) in overseas markets and five clinical-stage BTK inhibitor drug candidates under development for CU (including CSU and CIU) in China.

Overseas Marketed BTK inhibitor Drug for Treatment of CU/CSU/CIU

Genetic Name	Brand Name	Target	Company	Indications	First Approval Date	Price USD/Unit
Remibrutinib	Rhapsido	BTK	Novartis	CSU	2025/9/30	73.73 (25mg)

Source: FDA, F&S Analysis

China Marketed BTK Inhibitor Drugs for Treatment of CU (CSU and CIU)

Genetic Name	Brand Name	Target	Company	Indications	First Approval Date	NRDL Inclusion Year	Price RMB/Unit
Remibrutinib	Rhapsido	BTK	Novartis	CSU	2025/11/25	NA	NA

Source: NMPA, Frost & Sullivan

Overseas Competitive Landscape of BTK Inhibitors Indicated for CU/CSU/CIU

Genetic Name	Target	Company	Phase	Indication	First Posted Date
TAS5315	BTK	Taiho Pharmaceutical	Phase II	CSU	2022-04-19
Rilzabrutinib	BTK	Sanofi	Phase II	CSU	2021-11-04

Source: FDA, EMA, Clinical Trial, Frost & Sullivan

Competitive Landscape of BTK Inhibitors Indicated for CU (CSU and CIU) in China

Genetic Name	Target	Company	Phase	Indication	First Posted Date
TM471-1	BTK	Henan Zhiwei	Phase II	CSU	2025-12-12
HWH486	BTK	Humanwell	Phase II	CSU	2023-11-20
CX1440	BTK	Our company	Phase I/II	CU(CSU/CIU)	2025-08-22
HS-10561	BTK	Hansoh Pharmaceutical	Phase I/II	CSU	2025-03-12
BGB-16673	BTK	BeiGene (Suzhou)	Phase I	CSU	2025-05-19

Source: NMPA, Frost & Sullivan

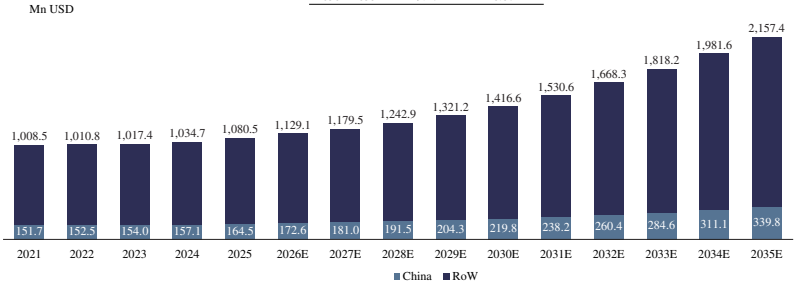
As of the Latest Practicable Date, remibrutinib was the only BTK inhibitor approved for CU (CSU) in both overseas markets and China, while CX1440 was one of several clinical-stage BTK inhibitor candidates under development for CU (CSU and CIU) in China, at Phase I/II. CX1440 is being developed for patients with CU inadequately controlled by H1-antihistamines.

Autoimmune Hemolytic Anemia

Autoimmune hemolytic anemia (AIHA) is an acquired autoimmune disorder in which autoantibodies target red blood cells, causing hemolysis and anemia. Diagnosis is based on evidence of anemia and hemolysis, together with detection of red cell autoantibodies, and patients commonly present with fatigue, pallor, jaundice, dark urine or splenomegaly. AIHA includes warm and cold subtypes, as well as mixed forms, and may be primary or secondary to conditions such as lupus, lymphoma or other malignancies. Current drug development is mainly focused on warm AIHA, which is more common and remains associated with significant unmet need due to steroid dependence and frequent relapse. The following table describes the AIHA drug market in China and globally from 2021 to 2035:

Global and China AIHA Drug Market Size, 2021-2035E

Period	CAGR	
	China	Global
2021-2025	2.0%	1.7%
2025-2030E	6.0%	5.6%
2030E-2035E	9.1%	8.8%



Source: Frost & Sullivan

In China, the prevalence of AIHA reached 138.6 thousand in 2025, and is expected to reach 140.9 thousand in 2030 and 141.5 thousand in 2035, representing CAGRs of 0.4% from 2021 to 2025, 0.3% from 2025 to 2030 and 0.1% from 2030 to 2035. Globally, the prevalence of AIHA reached 806.9 thousand in 2025, and is expected to reach 865.4 thousand in 2030 and 924.2 thousand in 2035, representing CAGRs of 1.5% from 2021 to 2025, 1.4% from 2025 to 2030 and 1.3% from 2030 to 2035.

Treatment Paradigm of AIHA

In China, treatment of AIHA is tailored by subtype. For wAIHA, first line therapy uses glucocorticoids with or without rituximab. If response is inadequate, second line options include rituximab alone or in combination with bendamustine or fludarabine, ibrutinib for selected cases, and bortezomib. Third line strategies consider splenectomy and immunosuppressants such as cyclosporine A, sirolimus, azathioprine, mycophenolate mofetil, cyclophosphamide, and danazol. For cAIHA, complement inhibitors including sutimlimab, pegcetacoplan, and eculizumab are used, with supportive measures such as intravenous immunoglobulin and plasma exchange for IgM mediated disease. In the US, first-line wAIHA care often uses prednisone with or without rituximab, second-line adds rituximab-based combinations and emergency control with eculizumab or plasmapheresis, and emerging BTK inhibitor is being integrated as a novel option.

In AIHA, systemic corticosteroids are commonly used as first-line therapy; however, globally approximately 70%-80% of patients ultimately escalate to second-line or beyond treatments due to treatment failure, relapse or treatment-limiting toxicities. In China, studies indicate that approximately 65% of AIHA patients receive second-line or subsequent therapies. CX1440, as a BTK inhibitor, is intended to be positioned for patients with AIHA whose disease is inadequately controlled by corticosteroid therapy, with the addressable population therefore estimated to represent approximately 70%-80% of the overall AIHA patient population globally, and ~65% in China.

Competitive Landscape

As of the Latest Practicable Date, there were no approved BTK inhibitor for the treatment of AIHA in overseas markets and in China. As of the same date, there was one clinical-stage BTK inhibitor drug candidate under development for the treatment of AIHA in overseas markets and two clinical-stage BTK inhibitor drug candidate under development for the treatment of AIHA in China.

Competitive Landscape of BTK Inhibitor Pipelines for Treatment of AIHA in Overseas Markets

Genetic Name	Target	Company	Phase	Indications	First Posted Date
Rilzabrutinib	BTK	Sanofi	III	AIHA	2025-07-25

Source: Frost & Sullivan

China Competitive Landscape of BTK Inhibitor Pipelines for Treatment of AIHA

Genetic Name	Target	Company	Phase	Indications	First Posted Date
Rilzabrutinib	BTK	Sanofi	III	AIHA	2025-08-11
CX1440	BTK	Our Company	IND approval	AIHA	*

Source: CDE, Frost & Sullivan

Note:* CX1440 obtained Phase I clinical trial IND approval in 2025

As of the Latest Practicable Date, no BTK inhibitor had been approved for AIHA in either overseas markets or China; among clinical-stage candidates, rilzabrutinib is the most clinically advanced (Phase III), while CX1440 obtained the IND approval in 2025 to initiate a Phase I clinical trial. As a BTK inhibitor, CX1440 is being developed as a mechanism-based BTK inhibitor for AIHA patients who are inadequately controlled by corticosteroid therapy, with the potential to provide a targeted treatment option and reduce reliance on prolonged corticosteroid use in this patient population. Compared with rilzabrutinib, CX1440 remains at an earlier stage of clinical development and has not yet generated clinical efficacy or safety data. Accordingly, its clinical profile and any potential comparative advantages over rilzabrutinib or other therapies remain to be established in clinical trials

OVERVIEW OF MOLECULAR GLUES

Molecular glues are small molecules that induce selective degradation of disease-relevant proteins by bringing them into proximity with E3 ubiquitin ligases, leading to ubiquitination and proteasomal destruction. Unlike PROTACs, they are monovalent, linker-free, and typically lower in molecular weight, which may support oral bioavailability and favorable pharmacokinetics. Their mechanism can enable high selectivity and expand the druggable space to targets lacking catalytic activity or clear binding pockets. Clinical proof of concept has been established by thalidomide analogs, and ongoing research is extending this approach to new ligases, multi-target degradation strategies, and AI-assisted design.

Growth Drivers and Future Trends of Molecular Glue

According to Frost & Sullivan, the primary growth drivers and future trends for the molecular glue drug market globally include:

- ***Scientific and Technical Drivers Shaping the Molecular Glue Drug Market.*** Molecular glues are small molecules that recruit E3 ligases to induce selective degradation of target proteins rather than merely inhibit them. Compared with PROTACs, they often offer better drug-like properties, oral bioavailability, and simpler synthesis and manufacturing. These advantages may lower production complexity and cost while improving developability and scalability, supporting broader use in oncology and autoimmune diseases and accelerating market growth.

- ***Pipeline Expansion and Broadening Therapeutic Scope for Molecular Glue Degraders.*** The molecular glue pipeline is expected to expand as more candidates enter clinical development, particularly in oncology, where they may address previously undruggable transcription factors and resistance-associated targets. Development is also extending into neurology and immunology. Emerging approaches include harnessing alternative E3 ligase systems such as KEAP1-CUL3 to redirect ubiquitin ligase activity toward selective degradation of additional disease-relevant proteins.

Concurrently, indication-level trends and drivers will create distinct trajectories across rheumatoid arthritis, inflammatory bowel disease and multiple sclerosis. Specifically:

- ***Rheumatoid Arthritis*** In China, rheumatoid arthritis is often marked by delayed diagnosis, inconsistent treatment, and unequal access to specialists, resulting in low remission rates and substantial disability. Conventional csDMARDs may provide insufficient control, while biologics, though effective, are injectable and can reduce adherence. Molecular glues offer a differentiated approach by selectively modulating disease-relevant proteins through reprogrammed protein-protein interactions, potentially expanding the range of treatable inflammatory pathways. As small molecules with potential oral dosing, they may better support long-term disease management by improving adherence, accessibility, and treatment sustainability across care settings.

- ***Inflammatory Bowel Disease*** The global burden of IBD is increasing, with incidence rising in historically low-prevalence regions such as East Asia while remaining high in Western countries, reflecting the broader impact of industrialization and urbanization. Elderly-onset IBD is also becoming more common, creating added diagnostic and treatment challenges due to greater comorbidity and polypharmacy. As populations age and healthcare needs expand, the clinical and economic burden of IBD is expected to continue growing.

- ***Multiple Sclerosis*** Multiple sclerosis treatment remains challenging due to heterogeneous presentation, limited biomarkers, and therapies that reduce relapses but have limited impact on neurodegeneration and functional recovery. Treatment uptake also remains uneven. New mechanism-diverse approaches, including small-molecule strategies such as molecular glues, aim to more precisely modulate immune dysregulation, expand treatment options, and improve the durability, accessibility, and overall quality of long-term disease management.

Major Indications for Molecular Glues in Autoimmune Diseases

Rheumatoid arthritis (RA) is a chronic autoimmune disease characterized by persistent synovial inflammation that leads to synovial hypertrophy, joint swelling, pain, and progressive cartilage and bone damage with erosions. In China, the prevalence of RA reached 6.2 million in 2025, and is expected to reach 6.4 million in 2030 and 6.7 million in 2035, representing CAGRs of 0.71% from 2021 to 2025 and 0.84% from 2025 to 2035. Globally, the prevalence of RA reached 41.8 million in 2025, and is expected to reach 43.7 million in 2030 and 45.4 million in 2035, representing CAGRs of 0.97% from 2021 to 2025 and 0.84% from 2025 to 2035.

Inflammatory Bowel Disease (IBD) is a chronic immune-mediated condition arising from interactions between genetic susceptibility and environmental factors that dysregulate intestinal immune responses. In China, the prevalence of IBD reached 0.8 million in 2025 from 0.6 million in 2021, and is expected to reach 1.2 million in 2030 and 1.5 million in 2035, representing CAGRs of 7.6% from 2021 to 2025, 7.1% from 2025 to 2030 and 5.2% from 2030 to 2035. Globally, the prevalence of IBD reached 7.9 million in 2025 from 6.5 million in 2021, and is expected to reach 9.3 million in 2030 and 10.3 million in 2035, representing CAGRs of 5.0% from 2021 to 2025, 3.2% from 2025 to 2030 and 2.1% from 2030 to 2035.

Multiple sclerosis (MS) is a chronic immune-mediated disorder of the central nervous system in which inflammation damages myelin and eventually injures axons, disrupting signal conduction in the brain and spinal cord. In China, the prevalence of MS reached 54.7 thousand in 2025, and is expected to reach 60.8 thousand in 2030 and 69.0 thousand in 2035, representing CAGRs of 2.4% from 2021 to 2025, 2.1% from 2025 to 2030 and 2.6% from 2030 to 2035. Globally, the prevalence of MS reached 3,243.2 thousand in 2025, and is expected to reach 3,716.9 thousand in 2030 and 4,256.1 thousand in 2035, representing CAGRs of 2.8% from 2021 to 2025, 2.8% from 2025 to 2030 and 2.7% from 2030 to 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 KOLs. 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 RMB580,000 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 relevant to our business.

Pharmaceutical Regulatory Authorities

The major regulatory authorities of pharmaceutical industry in the PRC include the NMPA (formerly known as the CFDA), the NHC (formerly known as the National Health and Family Planning Commission) and National Healthcare Security Administration (the "NHSA"). The NMPA carries on responsibilities for pharmaceutical supervision of CFDA, its predecessor, as the principal pharmaceutical regulatory authority in charge of the pharmaceutical registration and supervision, including non-clinical research, clinical trial, marketing approval, production and circulation. The NHC is the chief healthcare regulator of PRC, which is primarily responsible for drafting national healthcare policies, regulating public health, medical services and health contingency system, coordinating the implementation of healthcare reform and overseeing the operation of medical institutions and practice of medical personnel. The NHSA, a new authority established in May, 2018 in accordance with the Institutional Reform Program of the State Council, is responsible for drafting and implementing policies, plans and standards on medical insurance, maternity insurance and medical assistance; administering healthcare fund; formulating a uniform medical insurance catalogue and payment standards on drugs, medical consumables and healthcare services; formulating and administering the bidding and tendering policies for drugs and medical consumables.

Laws and Regulations Relating to Drugs

Drug Administration

The PRC Drug Administration Law (《中華人民共和國藥品管理法》) (the "Drug Administration Law") promulgated by the Standing Committee of the National People's Congress (the "SCNPC") on September 20, 1984, and latest amended on August 26, 2019, as well as the Regulation for the Implementation of the PRC Drug Administration Law (《中華人民共和國藥品管理法實施條例》) (the "Regulation for the Implementation of the Drug Administration Law") issued by the State Council on August 4, 2002, and latest amended on January 16, 2026 and will become effective on May 15, 2026, have together laid down the legal framework for the administration of drugs, including the research, development, manufacturing and business operation for new drugs, and administer the pharmaceutical manufacturing enterprises, pharmaceutical operating enterprises, and medicinal preparations of medical institutions, along with the development, research, production, distribution, packaging, pricing and advertisements of drugs.

Non-Clinical Research and Animal Testing

The State Administration for Market Regulation (the "SAMR") requires preclinical data to support registration applications for imported and domestic drugs. According to the Provisions for Drug Registration (《藥品註冊管理辦法》), issued by the SAMR on January 22, 2020, and became effective on July 1, 2020, non-clinical drug safety evaluation studies shall comply with the Good Laboratory Practice for Non-clinical Laboratory Studies (《藥物非臨床研究質量管理規範》). The latest GLP has been implemented by the CFDA since September 1, 2017, to improve the quality of non-clinical research. The Measures for Administration of Certification of the Good Laboratory Practice for Non-clinical Laboratory Studies (《藥物非臨床研究質量管理規範認證管理辦法》) promulgated on January 19, 2023 and implemented since July 1, 2023 by the NMPA, sets out the requirements for institutions to apply for GLP certification to conduct non-clinical drug research. Pursuant to the Administrative Regulations on Experimental Animals (《實驗動物管理條例》) issued by the State Science and Technology Commission (the "SSTC", now known as the Ministry of Science and Technology, the "MST") on November 14,1988, and latest amended on March 1, 2017 by the State Council, the Administrative Measures on Good Practice of Experimental Animals

(《實驗動物質量管理辦法》) jointly issued by the SSTC and the State Bureau of Technical Supervision (now known as SAMR) on December 11, 1997, and the Administrative Measures on the Certificate for Experimental Animals (Trial) (《實驗動物許可證管理辦法(試行)》) issued by MST and other regulatory authorities on December 5, 2001 and implemented since January 1, 2002, using and breeding experimental animals shall be subject to certain rules, and performing experiments on animals requires a Certificate for Use of Experimental Animals. Any entity without such certification must engage a qualified third party to conduct such non-clinical studies regulated under relevant laws and regulations.

Approval of Clinical Trials

Pursuant to the Provisions for Drug Registration, an applicant that applies for a drug clinical trial after completion of the pharmaceutical, pharmacological and toxicological research, etc., which support the drug clinical trial, shall submit relevant research materials according to the requirements for application materials. The application materials shall be accepted if they are deemed acceptable upon formal examination. The CDE shall organize pharmaceutical, medical and other technicians to review the accepted application for the drug clinical trial. Furthermore, according to the Provisions for Drug Registration, conduct of drug clinical trial shall be subject to the examination and consent by the ethics review committee. On Feburary 18, 2023, the NHC, the Ministry of Education, the MST and the State Administration of Traditional Chinese Medicine jointly issued the Notice on the Promulgation of the Measures for the Ethical Review of Life Science and Medical Research Involving Humans (《關於印發涉及人的生命科學和醫學研究倫理審查辦法的通知》), stipulates the work of ethical review of life science and medical research involving humans conducted by medical and health institutions, institutions of higher education and scientific research institutes in PRC. Pursuant to the aforementioned promulgation, secondary or higher medical institutions and municipal-level or higher health institutions, as well as institutions such as colleges, universities, and research institutes that carry out life sciences and medical research involving humans, are the main entities responsible for the management of ethical review work, such entities shall establish ethics review committees to conduct ethical reviews of life sciences and medical research involving humans. Under the guidance of the Department of Health Science, Technology and Education of the NHC, the Office of the Medical Ethics Expert Committee of the NHC and the Chinese Hospital Association, issued the Guidances to the Construction of the Ethics Review Committee of the Clinical Trials Involving Humans (《涉及人的臨床研究倫理審查委員會建設指南》), which specifies that all clinical trials shall be inspected and approved by the ethics review committee before conducting. According to the Specifications for the Administration of Registration and Information Disclosure of Drug Clinical Trials (Trial) (《藥物臨床試驗登記與信息公示管理規範(試行)》) issued by the CDE on July 1, 2020, the applicant shall register clinical trial information on the Registration Platform in accordance with certain specifications before conducting drug clinical trials, and shall continuously update it based on the progress of the clinical trial.

Phases of Clinical Trials and Communication with the CDE

Pursuant to the Drug Administration Law, drug clinical trials shall be carried out in a clinical trial institution with corresponding conditions. The conditions that clinical trial institutions should satisfy shall mainly comply with the relevant requirements of the Administrative Regulations for Drug Clinical Trial Institutions (《藥物臨床試驗機構管理規定》), which came into effect on December 1, 2019. Such drug clinical trial institutions shall be subject to filing administration. The NMPA is responsible for setting up a filing management information platform for drug clinical trial institutions for registration, filing and operation management of drug clinical trial institutions, as well as the entry, sharing and disclosure of information on supervision and inspection of the drug regulatory authority and competent healthcare authority. According to the Provisions for Drug Registration, based on the drug's characteristics and the purpose of research, clinical trials of drugs consist of Phase I, II, III and IV clinical trials, as well as the bioequivalence trials, contents of which include clinical pharmacology research, exploratory clinical trials, confirmatory clinical trials and post- marketing research. Clinical trials shall be conducted in accordance with the provisions of the

PRC GCP. Pursuant to the Administrative Measures for Communication on Drug Development and Technical Reviews (《藥物研發與技術審評溝通交流管理辦法》) revised by the CDE on April 1, 2026, during the research and development, and application for registration stages of innovative drugs, the applicant may propose communication sessions with the CDE.

International Multi-Center Clinical Trial

Pursuant to the International Multi-Center Clinical Trial Guidelines (Trial) (《國際多中心藥物臨床試驗指南(試行)》) issued by the CFDA on January 30, 2015 and effective from March 1, 2015, applicants may simultaneously conduct clinical trials in different centers of multiple regions using the same clinical trial protocol, or conduct regional clinical trials simultaneously in multiple centers in different countries within a certain region using the same protocol. The NMPA issued the Technical Guiding Principles for the Acceptance of Overseas Clinical Trial Data of Drugs (《接受藥品境外臨床試驗數據的技術指導原則》) on July 6, 2018, to guide work related to the acceptance of overseas clinical trial data as clinical evaluation reference by the applicant applying for the registration of drugs in the PRC.

Registration and Application of New Drugs

According to the Provisions for Drug Registration, the drug registration administration shall be categorized into traditional Chinese drugs, chemical drugs and biological products; among them, the registration of chemical drugs shall be categorized into innovative chemical drugs, improved new chemical drugs, generic chemical drugs, etc.. Pursuant to the Reform Plan for Registration Category of Chemical Medicine (《化學藥品註冊分類改革工作方案》) issued by the CFDA on March 4, 2016, new registration of chemical drugs are divided into 5 categories. According to the Registration Classification of Chemical Drugs and the Reporting Information Requirements (《化學藥品註冊分類及申報資料要求》) issued by the NMPA on June 29, 2020 with implementation of such requirements from July 1, 2020, the registration of chemical drugs is categorized into innovative drugs, improved new drugs, generic drugs, and chemical drugs marketed abroad only. According to the Provisions for Drug Registration, the applicant may submit an application for permission of the drugs registration for marketing (NDA) upon determining quality standards after completion of researches on pharmacy, pharmacology, toxicology, and clinical trials of drugs that support the registration of drugs for marketing and completing the commercial-scale production process verification and preparations for receiving on-site inspections. The NDA shall be evaluated by the NMPA in accordance with applicable laws and regulations.

Accelerated Approval for Clinical Trial and New Drug Registration

The Opinions of the State Council on the Reform of Evaluation and Approval System for Drugs and Medical Devices (《國務院關於改革藥品醫療器械審評審批制度的意見》) issued by the State Council on August 9, 2015, specified the tasks of enhancing the standards of approval for, among others, drug registration, accelerating the evaluation and approval process for innovative drugs, and improving the approval for clinical trials of drugs. The Announcement on Several Policies on Drug Registration Review and Approval (《關於藥品註冊審評審批若干政策的公告》) issued by the CFDA on November 11, 2015, provided fast-track clinical trial approvals and drug registration pathways for certain new drug applications such as innovative new drugs treating malignant tumors (cancers), severe infectious diseases and rare diseases. On October 8, 2017, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council jointly issued the Opinions on Deepening the Reform of the Evaluation and Approval System and Encouraging Innovation of Drugs and Medical Devices (《關於深化審評審批制度改革鼓勵藥品醫療器械創新的意見》), aiming to simplify the clinical trial procedures and shorten the time. For new drugs and medical devices urgently needed in clinical practice and drugs and medical devices used for the treatment of rare diseases, the evaluation and approval procedures for marketing shall be accelerated. Furthermore, according to the Announcement on Matters Concerning the Optimization of Drug Registration Review and Approval (《關於優化藥品註冊審評審批有關事宜的公告》) jointly issued by the NMPA and the NHC on May 17, 2018, the drug

approval process shall be further streamlined and expedited. On July 24, 2018, 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》) issued by the NMPA further making adjustments to matters relating to the review and approval of drug clinical trials. Pursuant to the provisions of the Procedures for the Evaluation of Breakthrough Therapeutic Drugs (Trial) (《突破性治療藥物審評工作程序(試行)》) issued by the NMPA on July 7, 2020, during the clinical drug trials, the applicant is allowed to apply for the breakthrough therapeutic drug procedure during Phase I and Phase II clinical trials and normally no later than the commencement of Phase III clinical trials for the innovative or improved drugs etc., which are used for the prevention and treatment of diseases that seriously endanger life or seriously affect quality of life and there is no effective means of prevention and treatment or there is sufficient evidence to show a significant clinical advantage over existing treatment approach.

On September 9, 2025, the Announcement of the NMPA on Matters Related to Optimizing the Review and Approval of Clinical Trials for Innovative Drugs (《國家藥監局關於優化創新藥臨床試驗審評審批有關事項的公告》) further supporting clinical value-oriented innovative drug research and development, improving the quality and efficiency of clinical development, and therefore including clinical trial applications for traditional Chinese medicine, chemical drug, and biological product category 1 innovative drugs that meet certain requirements and can submit application materials as required into a fast-track process for review and approval within 30 working days after acceptance.

Marketing Authorization Holder System

Pursuant to Drug Administration Law, the drug marketing authorization holder system has been implemented for drug management in the PRC. The drug marketing authorization holder refers to an enterprise or a drug research and development institution that has obtained the drug registration certificate, which is responsible for the safety, efficacy and controlled quality of medicine during the whole process of drug development, production, operation and utilization processes in accordance with laws. The marketing authorization holders shall be liable for non-clinical study, clinical trial, manufacturing and business operation, post-market launch study, monitoring, reporting and handling of adverse reactions of the pharmaceuticals. The legal representative and the key person-in-charge of a drug marketing authorization holder shall be fully responsible for the quality of drugs. The drug marketing authorization holders may produce drugs by themselves or entrust drug manufacturers with the production of such drugs; they may sell drugs with a drug registration permit on their own or through entrusting qualified drug operating enterprises. Blood products, anesthetics, psychotropic drugs, toxic drugs for medical use and pharmaceutical precursor chemicals are in principle not allowed to be produced through entrustment. The drug marketing authorization holders shall establish a pharmaceutical quality assurance system, equipped with specialized staff solely responsible for the management of drug quality; the drug marketing authorization holders shall regularly review the quality management system of the drug manufacturer and the drug distributor, and supervise their continuous quality assurance and control capabilities. The drug marketing authorization holders, drug manufacturers, drug distributors and medical institutions shall establish and implement a drug traceability system, provide traceability information in accordance with regulations and ensure that drugs are traceable.

Filing for Gathering and Collection of Human Genetic Resources

Pursuant to the Service Guide for Administrative Licensing of Gathering, Collection, Deal, Export and Exit Approval of Human Genetic Resources (《人類遺傳資源採集、收集、買賣、出口、出境審批行政許可事項服務指南》) promulgated by the MST on July 2, 2015, the sampling, collection or research activities of human genetic resources by a foreign-invested sponsor fall within the scope of international cooperation, and the cooperating organization of China shall apply for approval of the China Human Genetic Resources Management Office through the online system. Furthermore, the MST promulgated the Notice on Updating the Service Guide, Filing, and Scope and Procedures for Prior Reporting of Administrative Licensing Matters for Human Genetic

Resources (《關於更新人類遺傳資源行政許可事項服務指南、備案以及事先報告範圍和程序的通知》) on July 14, 2023, enhancing the service quality of human genetic administrative approvals and facilitating applicants' understanding of application requirements. According to the HGR Regulation, as promulgated by the State Council on May 28, 2019, revised on March 10, 2024, and became effective on May 1, 2024, in order to obtain marketing authorization for relevant drugs and medical devices in China, no approval is required in international clinical trial cooperation using China's human genetic resources at clinical institutions without export of human genetic resources materials. On May 26, 2023, the MST issued the Implementing Rules of the HGR Regulation (《人類遺傳資源管理條例實施細則》), which became effective from July 1, 2023, further specifying the requirements for the collection, preservation, use, and outbound offering of the human genetic resources in the PRC. On October 17, 2020, the SCNPC promulgated the Biosecurity Law which became effective on April 15, 2021 and was revised on April 26, 2024, establishing a comprehensive legislative framework on the current regulations in the areas including epidemic control of human, animal and plant infectious diseases, security of biotechnology research, development and application, biosafety management of pathogenic microbiology laboratories, security management of human genetic resources and biological resources, countermeasures against microbial resistance and prevention of bioterrorism and threat of biological weapons.

Drug Manufacturing License

According to the Drug Administration Law and its implementation, when engaging in pharmaceutical manufacturing activities, an enterprise must obtain a Drug Manufacturing License granted by the drug regulatory authority of the people's government of the province, autonomous region, or municipality directly under the central government at the place where the enterprise is located. No medicinal products shall be manufactured without a Drug Manufacturing License. The Drug Manufacturing License shall be valid for five years. Where continued drug manufacturing is required upon expiration of the validity period, a certificate holder shall, six months prior to the expiration, apply for renewal of the Drug Manufacturing License in accordance with the regulations of the drug regulatory department under the State Council.

GMP

The GMP for Drugs (《藥品生產質量管理規範》) was first promulgated on March 17, 1988, subsequently revised on December 28, 1992, by the Ministry of Health (the "MOH"). After the establishment of the NMPA, the GMP for Drugs was amended on June 18, 1999 and became effective on August 1, 1999. The GMP for Drugs, which was amended by the MOH on January 17, 2011 and became effective on March 1, 2011, stipulates the basic standards for pharmaceutical production. On August 2, 2011, the CFDA issued the Circular on Printing and Distributing the Administrative Measures for the Certification of GMP for Drugs (《關於印發藥品生產質量管理規範認證管理辦法的通知》), which provided that newly established drug manufacturers, or existing drug manufacturers that wish to expand manufacturing scope or build new workshops shall apply for the GMP certification in accordance with the Regulation for the Implementation of the Drug Administration Law. On December 30, 2015, the CFDA issued the Notice on Effectively Implementing the GMP for Drugs (《關於切實做好實施藥品生產質量管理規範有關工作的通知》), which provided that those drug manufacturers that failed to obtain the GMP certificates shall not be granted the drug manufacturing license. On November 29, 2019, the NMPA issued the Announcement on Matters relating to the Implementation of the Drug Administration Law (《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》), which confirmed that the GMP certification would be canceled from December 1, 2019, and no application for GMP certification would be accepted and no GMP certificate would be granted. However, according to the Drug Administrative Law, drug manufacturers shall still comply with the GMP, establish and improve the GMP system, and ensure the whole drug production process is consistently in compliance with statutory requirements. The Administrative Measures for Drug Inspection (Trial) (《藥品檢查管理辦法(試行)》) was issued by the NMPA on May 24, 2021, and revised on July 19, 2023, and the Administrative Measures for the Certification of GMP was repealed accordingly. The Administrative Measures for Drug Inspection (Trial) provided that onsite inspections shall be

conducted pursuant to the GMP on a drug manufacturer applying for the Drug Manufacturing License for the first time, while for the drug manufacturers applying for the renewal of Drug Manufacturing License, the review shall be conducted based on the risk management principles, in combination with the drug manufacturers' compliance with the laws and regulations of drug administration, and the operation of the GMP and quality management system, and inspections on the drug manufacturers' conformity to the GMP may be conducted where necessary.

Entrusted Manufacturing of Drugs

Pursuant to the Measures on the Supervision and Administration of the Manufacture of Drugs (《藥品生產監督管理辦法》), promulgated by the SAMR on December 11, 2002, with latest amendments on January 22, 2020 effective from July 1, 2020, the drug marketing authorization holders may entrust qualified drug manufacturing enterprises with drug production, provided that they shall evaluate the entrusted party's quality assurance capabilities and risk management capabilities. They shall also sign the quality agreement and the entrustment agreement with the entrusted party in accordance with the requirements of the guidelines for entrusted drug production promulgated by the NMPA and supervise the fulfillment of the obligations agreed by the entrusted party in the agreement; the entrusted party shall not recommission the production of the drugs it agreed to be entrusted to another third party.

Drug Distribution Management

On September 27, 2023, the Measures for the Supervision and Administration of Drug Circulation was repealed upon the formal implementation of the Measures for the Supervision and Administration of Drug Quality in Operation and Usage (《藥品經營和使用質量監督管理辦法》) was issued by the SAMR and took into effect on January 1, 2024, which clarifies the operation management of drugs.

Drug Technology Transfer

The Administrative Regulations for Technology Transfer Registration of Drugs (《藥品技術轉讓註冊管理規定》) issued by the former CFDA and being effective on August 19, 2009 standardizes the registration process of drug technology transfer and stipulated the application, evaluation, examination, approval and supervision of registration for drug technology transfer. The application for drug technology transfer shall be submitted to the provincial drug regulatory authority, and the ultimate approval decision shall be made by the NMPA based on the comprehensive opinions of the center for drug evaluation. A letter of approval and a drug approval number for the supplementary application shall be issued for eligible applications.

Other Relevant Regulations in the PRC Pharmaceutical Industry

Coverage of the NMIP

The NMIP was first adopted according to the Decision of the State Council on the Establishment of the Urban Employee Basic Medical Insurance Program (《國務院關於建立城鎮職工基本醫療保險制度的決定》) issued by the State Council on December 14, 1998. On July 10, 2007, the State Council issued the Guiding Opinions of the State Council about the Pilot Urban Resident Basic Medical Insurance (《國務院關於開展城鎮居民基本醫療保險試點的指導意見》), further enlarged the coverage of the basic medical insurance program. In addition, on January 3, 2016, the Opinions on Integrating the Basic Medical Insurance Systems 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》) issued by the State Council required the integration of the urban resident basic medical insurance and the new rural cooperative medical care system and the establishment of a unified basic medical insurance system. Furthermore, on July 26, 2024, the Guiding Opinions on Improving the Long-term Mechanism for Basic Medical Insurance Participation (《關於健全基本醫療保險參保長效機制的指導意見》) issued by the General Office of the State Council provides directives on implementing citizens'

rights and obligations to participate in basic medical insurance in accordance with the law, and on standardizing and unifying the management services for insurance participation. Pursuant to Interim Measures for the Administration of Drug Use in Basic Medical Insurance (《基本醫療保險用藥管理暫行辦法》) issued by the NHSA on July 30, 2020, and became effective on September 1, 2020, the scope of medical insurance coverage for pharmaceutical products needs to be managed through the formulation of the Medical Insurance Catalogue (《基本醫療保險藥品目錄》), the cost of drugs falls under which shall be paid by the Basic Medical Insurance Fund in accordance with regulations in the PRC. The administrative department of medical insurance under the State Council established and improved the dynamic adjustment mechanism so that the Medical Insurance Catalogue shall be adjusted once a year in principle.

National Essential Drug List

According to the Circular on the Printing and Distribution of the Administrative Measures for the National Essential Drug List (《關於印發國家基本藥物目錄管理辦法的通知》) issued on February 13, 2015, the Opinions of the General Office of the State Council on Improving the National Essential Drugs System (《國務院辦公廳關於完善國家基本藥物制度的意見》) issued on September 13, 2018 and the National Essential Drug List (2018 version) (《國家基本藥物目錄(2018年版)》) (the "National Essential Drug List") issued by the NHC on September 30, 2018, basic healthcare institutions funded by the government, shall store up and use drugs listed in the National Essential Drug List. The drugs listed in the National Essential Drug List shall be purchased by centralized tender process and shall be subject to the price control by the NDRC. The National Drug Catalog for Basic Medical Insurance, Maternity Insurance and Work-related Injury Insurance (《國家基本醫療保險、生育保險和工傷保險藥品目錄》), which promulgated by the NHSA and the Ministry of Human Resources and Social Security on December 5, 2025, sets forth the payment standard for pharmaceutical products under such insurances.

Centralized Procurement of Drugs

According to the Certain Regulations on the Trial Implementation of Centralized Tender Procurement of Drug by Medical Institutions (《醫療機構藥品集中招標採購試點工作若干規定》) jointly issued by authorities including the MOH on July 7, 2000, non-profit medical institutions run by the people's governments at county level and above are required to implement centralized tender procurement of drugs. The Opinions of the General Office of the State Council on Promoting the Centralized Volume-based Procurement of Drugs in a Normalized and Institutionalized Manner (《國務院辦公廳關於推動藥品集中帶量採購工作常態化制度化開展的意見》), which was promulgated by the General Office of the State Council on January 22, 2021, set out the promotion of the normalization and institutionalization of the centralized procurement of drugs. All public medical institutions shall participate in the centralized procurement of drugs, with reference to the requirements of the management of designated social medical institutions and designated pharmacies in accordance with the management of designated agreements for medical insurance.

Drug Price Management

Pursuant to the Opinions on Promoting Drug Pricing Reform (《推進藥品價格改革的意見》), which was jointly promulgated by the authorities including the NDRC on May 4, 2015, from June 1, 2015, the original prices of the drugs formulated by the government will be canceled, except for narcotic drugs and Class I psychotropic drugs. The prices of narcotic drugs and Class I psychotropic drugs are still temporarily managed by the NDRC through the implementation of maximum factory prices and maximum retail prices. The drugs other than the narcotic drugs and Class I psychotropic drugs no longer adopted government-designated pricing. The Guiding Opinions on Effectively Conducting Current Drug Pricing Reform (《關於做好當前藥品價格管理工作的意見》), which was promulgated by the NHSA on November 26, 2019, required the continuous improvement of the market-oriented drug pricing mechanism and the establishment of a sound, regularized drug pricing supervision system.

Two-invoice System

Pursuant to the 2016 Key Tasks for Deepening the Reform of the Pharmaceutical and Healthcare System (《深化醫藥衛生體制改革2016年重點工作任務》) issued by the General Office of the State Council on April 21, 2016, in order to optimize the order of purchasing and selling pharmaceutical products and reduce circulation steps, the implementation of the "two-invoice system" shall be constructed throughout the pilot provinces for comprehensive healthcare reform and actively encouraged in the public hospitals of the pilot cities therefor. According to the Opinions on the Implementation of the "Two Invoice System" in 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》) issued by Deepen Medical and Healthcare System Reform Leading Group Office of the State Council on December 26, 2016, the "Two Invoice System" refers to the system that requires one invoice to be issued from pharmaceutical manufacturers to pharmaceutical distributors and the other invoice to be issued from pharmaceutical distributors to medical institutions. The allocation of drugs between a pharmaceutical distribution group enterprise and its wholly-owned (holding) subsidiaries or among its wholly-owned (holding) subsidiaries may not be regarded as a process for which an invoice should be issued, but one invoice is allowed to be issued at most. According to the Notice on Issuing the Key Tasks for the Second Half of 2023 in Deepening the Medical and Health System Reform (《關於印發深化醫藥衛生體制改革2023年下半年重點工作任務的通知》), which was jointly issued by the NHC, NDRC, the Ministry of Finance and the Ministry of Human Resources and Social Security on July 21, 2023, measures related to the "Two-invoice System" shall be further researched and improved during the procedure of deepening the medical and health system reform.

Other Significant PRC Regulations Affecting Our Business Activities in the PRC

Laws and Regulations relating to PRC Company Law and Foreign Investment

The establishment, operation and management of enterprises in the PRC are governed by the PRC Company Law, which was promulgated by the SCNPC on December 29, 1993 and became effective on July 1, 1994. It was latest amended on December 29, 2023. Pursuant to the PRC Company Law, companies are classified into two categories, namely limited liability companies and limited companies by shares. The PRC Company Law shall also apply to foreign-invested limited liability companies and companies limited by shares. According to the PRC Company Law, the provisions otherwise prescribed by the laws on foreign investment shall prevail. On March 15, 2019, the National People's Congress (the "NPC") issued the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "Foreign Investment Law"), which came into effect on January 1, 2020. Since then, the Foreign Investment Law has become the basic law regulating foreign-invested enterprises wholly or partially invested by foreign investors. The PRC implements a pre-access national treatment plus exceptions list management system for foreign investment, which means that foreign investors and their investments are given treatment no less favorable than that accorded to domestic investors and their investments at the stage of investment access; while the "exceptions list" refers to special administrative measures for access of foreign investment in specific fields as stipulated by the PRC. The national treatment shall be granted to foreign investments outside of the exceptions list.

Laws and Regulations on Outbound Investment

Pursuant to the Administrative Measures on Outbound Investments (《境外投資管理辦法》) issued by the MOC on March 16, 2009, and amended on September 6, 2014, and 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 PRC intends to make outbound investments, it shall be subject to approval or filing for the project, report relevant information, and cooperate in the supervisory inspections. Non-sensitive projects directly conducted by domestic enterprise in China, involving direct contribution of assets or rights and interests or provision of financing or security, shall be subject to filing. On May 5, 2026, the State Council published the Regulation on Outbound Investment (《國務院關於對外投資的規定》), which took effect from July 1, 2026. The Regulation on Outbound Investment implements the whole-process supervision by category/tier, and incorporates approval, filing, information reporting, business operation standardization, security review and other requirements into a unified regulatory framework.

Laws and Regulations relating to Foreign Exchange

The principal law governing foreign currency exchange in the PRC is the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》) (the "Foreign Exchange Administration Regulations"). The Foreign Exchange Administration Regulations were enacted by the State Council on January 29, 1996 and implemented on April 1, 1996. On January 14, 1997 and August 5, 2008, the State Council amended the Foreign Exchange Administration Regulations. According to the Foreign Exchange Administration Regulations, international payments in foreign currencies and transfer of foreign currencies under current items shall not be restricted. Foreign currency transactions under the capital account are still subject to limitations and require approvals from, or registration with, the SAFE or its local counterpart and other relevant PRC governmental authorities. According to the Notice of the State Administration of Foreign Exchange on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) issued by the SAFE and implemented on December 26, 2014, a domestic company shall, within 15 business days from the date of the end of its overseas listing issuance, register the overseas listing with the local Foreign Exchange Administration at the place of its establishment. The Circular of SAFE on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (the "SAFE Circular 16"), which was promulgated on June 9, 2016, and revised on December 4, 2023, by the SAFE, stipulates that the foreign exchange proceeds under the capital account of and the Renminbi funds obtained from foreign exchange settlement by a domestic institution may be used for expenditures under the current account within its business scope or the expenditures under the capital account permitted by the laws and regulations. On December 24, 2025, the PBOC and the SAFE jointly issued the Notice on Issues Concerning the Fund Management for Overseas Listings of Domestic Enterprises (《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》), which took effect on April 1, 2026, to further facilitate domestic enterprises in efficiently raising funds in overseas financial markets. According to the aforementioned Notice, the proceeds from overseas listings, such as funds raised and income from share reductions or transfers, may be repatriated in either foreign currency or Renminbi, and the listing entities participating in the Full Circulation of H shares shall distribute dividends to domestic shareholders domestically in Renminbi. Additionally, the Notice specifies that funds raised from overseas listings and repatriated in foreign currency may be independently converted and used, and listing entities may autonomously choose their approaches to managing exchange rate risks within China. Upon the formal implementation of such Notice, the Notice of the SAFE on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) issued by the SAFE was repealed.

Distribution of Dividends

Pursuant to the provisions of the PRC Company Law, when distributing each year's profits after taxation, the company shall set aside 10% of its profits for the company's statutory common reserve fund until the fund has reached more than 50% of the company's registered capital. When the company's statutory common reserve fund is not sufficient to make up for the company's losses for the previous years, the current year's profits shall first be used to make good the losses before any allocation is set aside for the statutory common reserve fund. After the company has made allocations to the statutory common reserve fund from its profits after taxation, it may, upon the resolution at a shareholders' general meeting, make further allocations from its profits after taxation to the discretionary common reserve fund. After the company has made good its losses and made allocations to its common reserve fund, the remaining profits after taxation shall be distributed to the shareholders. According to the Notice on Matters Concerning the Deepening of Foreign Exchange Management Reforms for Cross-Border Investment and Financing (《關於深化跨境投融資外匯管理改革有關事宜的通知》) issued by the SAFE, for foreign-invested enterprises, legally generated profits in foreign currency and the reinvestment within the PRC of foreign exchange profits lawfully obtained by foreign investors may be transferred into the capital account of the invested enterprise or the capital project settlement account of the equity transferor. The use of funds shall be handled in accordance with the relevant account management requirements.

Laws and Regulations Related to Intellectual Property Rights

Patents

Pursuant to PRC Patent Law (《中華人民共和國專利法》) promulgated by the SCNPC on March 12, 1984, and latest amended on October 17, 2020, and became effective from June 1, 2021, and the Implementation Rules of the PRC Patent Law (《中華人民共和國專利法實施細則》) promulgated by the State Council on June 15, 2001, with the latest amendments on December 11, 2023, effective from January 20, 2024, the patents in the PRC refer to invention, utility model and design. The Patent Office under the State Intellectual Property Office is responsible for receiving, examining, and approving patent applications. A patent is valid for a twenty-year term for an invention, a ten-year term for a utility model, or a fifteen-year term for a design, commencing from their respective application dates. According to the PRC Patent Law, for the purpose of public health, the Patent Administration Department under the State Council may grant a compulsory license to manufacture a drug which has been granted a patent right and to export it to the countries or regions specified in related international conventions in which the PRC is a contracting member. According to the provisions of the PRC Patent Law and the Implementation Rules of the PRC Patent Law, for the purpose of compensating for the time taken to examine and approve a new drug to be marketed, the patent administrative department under the State Council shall grant compensation to the validity period of patent rights for the invention patents of new drugs approved to be marketed in the PRC upon request of the patentee. The compensation period shall not exceed five years, and the total validity period of patent rights after a new drug is approved to be marketed shall not exceed fourteen years.

Trademark

Pursuant to the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by the SCNPC on August 23, 1982, and amended on February 22, 1993, October 27, 2001 and August 30, 2013, respectively, and last amended on April 23, 2019 with the latest amendment effective on November 1, 2019 and the Implementation Regulations of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) promulgated by the State Council on August 3, 2002 which became effective on September 15, 2002 and was revised on April 29, 2014 and the latest amendment became effective on May 1, 2014, the period of validity for a registered trademark is 10 years, commencing from the date of registration. Upon expiry of the period of validity, the registrant shall go through the formalities for renewal within 12 months prior to the date of expiry as required if the registrant needs to continue to use the trademark. Where the registrant fails to do so, a grace period of six months may be granted. The period of validity for each renewal of registration is 10 years, commencing from the day immediately after the expiry of the preceding period of validity for the trademark. In the absence of renewal upon expiry, the registered trademark shall be canceled.

Copyright

Copyright is protected by the Copyright Law of the PRC (《中華人民共和國著作權法》) promulgated by the SCNPC on September 7, 1990 and last amended on November 11, 2020 with the latest amendment effective on June 1, 2021 and the Implementation Regulations of the Copyright Law of PRC (《中華人民共和國著作權法實施條例》) issued by the State Council on August 2, 2002 and last amended on January 30, 2013 with the latest amendment effective on March 1, 2013, which provided provisions on the classification of works and the obtaining and protection of copyright and the related rights.

Domain Names

Domain names are protected by the Administrative Measures of Internet Domain Names (《互聯網域名管理辦法》) issued by the Ministry of Industry and Information Technology (the "MIIT") on August 24, 2017 and effective from November 1, 2017 and the Implementing Rules on Registration of China Country Code Top-level Domain Names (《國家頂級域名註冊實施細則》)

issued by China Internet Network Information Center on June 18, 2019. The MIIT is the regulatory body responsible for the administration of PRC internet domain names. The China Internet Network Information Center is responsible for the administration of registration of China country code top-level domain names. Domain name registrations are processed by the domain name registration service agencies established pursuant to the relevant provisions.

Trade Secrets

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 the SCNPC on September 2, 1993 and amended on November 4, 2017, April 23, 2019 and June 27, 2025, respectively, and the Provisions of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Civil Cases Involving Trade Secret Infringement (《最高人民法院關於審理侵犯商業秘密民事案件適用法律若干問題的規定》) issued by the Supreme People's Court on September 10, 2020 and effective from September 12, 2020, together with the Regulations on the Protection of Trade Secret (《商業秘密保護規定》) issued by the SAMR on Feburary 24, 2026, which shall be effective from June 1, 2026, the term "trade secrets" refers to commercial information such as technical information and business information that is not known to the public, has commercial value, and for which the rights holder has taken corresponding confidentiality measures.

Regulations relating to EIT and VAT

EIT

Pursuant to the EIT Law promulgated by the SCNPC on March 16, 2007, which became effective from January 1, 2008, and last amended on December 29, 2018, enterprises shall be classified into resident enterprises and non-resident enterprises. The income tax rate of resident enterprises is 25%, while the income tax rate of non-resident enterprises is 20%. According to the EIT Law and the Implementation Regulations for the EIT Law (《中華人民共和國企業所得税法實施條例》) issued by the State Council on December 6, 2007, which became effective from January 1, 2008, and last amended on April 23, 2019, enterprise income tax shall be payable by a resident enterprise for the income derived from or accruing in or outside the PRC.

VAT

According to the VAT Law of the PRC (《中華人民共和國增值税法》), which was promulgated by the SCNPC on December 25, 2024, became effective on January 1, 2026 and the Regulations for the Implementation of the Value-added Tax Law of the People's Republic of China (《中華人民共和國增值税法實施條例》) issued on December 25, 2025 and implemented on January 1, 2026, entities and individuals (including individual businesses) that sell goods, services, intangible assets, immovable property, or import goods within the territory of the PRC are VAT taxpayers and shall pay VAT in accordance with this Law.

Laws and Regulations Relating to Product Quality

The Product Quality Law of the PRC (《中華人民共和國產品質量法》) promulgated on February 22, 1993 by the SCNPC and latest amended on December 29, 2018, is the main law regulating the supervision and management of quality of products in China. According to the Product Quality Law of the PRC, producers shall be responsible for the quality of the products they produce, and sellers shall take measures to maintain the quality of the products they sell. Pursuant to the Civil Code of the PRC (《中華人民共和國民法典》) promulgated by the NPC on May 28, 2020 and coming into effective on January 1, 2021, where a patient suffers damage due to defects in drugs, he/she 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 the producer.

Laws and Regulations Relating to Safety Production

Pursuant to the Safety Production 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, production and operation units shall abide by the Safety Production Law of the PRC and other laws and regulations related to production safety, strengthen production safety management, and establish a sound production safety responsibility system and formulate a set of production safety rules and regulations for all employees; increase the efforts to guarantee the input of funds, supplies, technology and personnel to production safety, improve production safety conditions, and strengthen standardization and informatization of production safety; construct a "dual-prevention" mechanism consisting of graded management and control of safety risks and examination and control of potential risks, improve the risk prevention and resolution mechanism, enhance production safety levels and ensure production safety.

Precursor Chemicals and Explosive Precursor Hazardous Chemicals

Pursuant to the Regulation on the Administration of Precursor Chemicals (《易製毒化學品管理條例》) promulgated by the State Council on August 26, 2005, which became effective on November 1, 2005 and was latest amended on September 18, 2018, the State regulates the production, operation, purchase, transport, import and export of precursor chemicals. Unit intending to purchase Category II and III precursor chemicals shall file with the public security authorities of the local people's government at the county level for the types and quantities of precursor chemicals required before making the purchase. Pursuant to Measures for Public Security Administration of Explosive Precursor Hazardous Chemicals (《易製爆危險化學品治安管理辦法》) promulgated by the Ministry of Public Security on July 6, 2019 and effective from August 10, 2019, unit intending to purchase explosive precursor hazardous chemicals shall file with the public security authorities at the county level where it operates within five days after the purchase, through the explosive hazardous chemicals information system, about the information of the variety, quantity and flow of the explosive precursor hazardous chemicals it purchased.

Labor, Social Insurance and Housing Fund

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 last 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 on June 29, 2007, effective from January 1, 2008, and last amended on December 28, 2012 and effective on July 1, 2013 stipulate the relationship between the employers and the employees, and specifies the terms and conditions of the labor contracts. Pursuant to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) promulgated by the SCNPC on October 28, 2010, effective from July 1, 2011, and last amended on December 29, 2018, the Provisional Regulations for the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) issued by the State Council on January 22, 1999 and last amended on March 24, 2019, and the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》) issued by the State Council on April 3, 1994, and amended on March 24, 2002 and March 24, 2019, respectively, employers are required to pay social insurance premiums such as basic pension insurance, unemployment insurance, basic medical insurance, work-related injury insurance and maternity insurance for their employees, and contribute to housing provident funds. On July 31, 2025, the Supreme People's Court issued the Interpretation (II) of the Supreme People's Court on Several 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）》) ("Interpretation (II)"), which came into effect on September 1, 2025. According to Interpretation (II), participation in social insurance is a statutory obligation for both employers and employees, and any unilateral commitment or bilateral agreement to not participate in social insurance is invalid.

Regulations Relating to Information Security and Data Privacy

On June 10, 2021, the SCNPC promulgated the Data Security Law of the PRC (《中華人民共和國數據安全法》), with effect on September 1, 2021, which establishes a classified and tiered system for data protection. On July 7, 2022, the Cyberspace Administration of the PRC promulgated the Measures for the Security Assessment of Outbound Data Transfer (《數據出境安全評估辦法》), which came into effect on September 1, 2022, according to which under certain circumstances, a data processor who shall process outbound data transfer shall report to the national cyberspace department through the local cyberspace department at the provincial level for security assessment of outbound data transfer. On February 22, 2023, the Cyberspace Administration of China promulgated the Measures for Standard Contract for Outbound Transfer of Personal Information (《個人信息出境標準合同辦法》), with effect from June 1, 2023. Accordingly, the personal information processor who provides personal information to any overseas recipient through standard contract shall not be a critical information infrastructure operator, or handle personal information of less than one million individuals, etc. On October 14, 2025, the Cyberspace Administration of China and the SAMR promulgated the Measures for Outbound Certification of Personal Information (《個人信息出境認證辦法》), which came into effect on January 1, 2026. Pursuant to the Measures, personal information processor who provides personal information to any overseas recipient through personal information outbound certification shall not be a critical information infrastructure operator or handle personal information of over 100 thousand but no more than 1 million individuals since January 1 of the current year.

Regulations Relating to Overseas Listing

According to the Trial Measures released by the CSRC on February 17, 2023 and come into effect on March 31, 2023, domestic enterprise in the PRC that directly issues securities outside the PRC shall file with the CSRC in accordance with the Trial Measures. For the overseas initial public offering or listing, issuers shall file with the CSRC within three working days after the submission of its application for listing in overseas region. If the filing materials are complete and comply with regulations, the CSRC will complete the filing within 20 working days from the date of receipt of the filing materials and will announce the filing information through its website publicly.

Confidentiality and Archives Administration Concerning Overseas Listing

Pursuant to the Provisions on Strengthening Confidentiality and Archives Administration Concerning Overseas Securities Offerings and Listings by Domestic Enterprises (《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》), which was jointly announced by numerous departments including CSRC on February 24, 2023 and came into effect since March 31, 2023, during the overseas issuance and listing activities of domestic enterprises, such enterprises and securities companies, securities service institutions which provide corresponding services shall strictly comply with the relevant laws and regulations of PRC and the requirements of these Provisions, they shall not leak any national secrets and work secrets of national authorities, and shall not jeopardize the national and public interests.

Regulations Relating to "Full Circulation" of H Shares

According to the Trial Measures, if a domestic enterprise is directly listed overseas, when its shareholders of its domestic unlisted shares apply to convert their domestic unlisted shares held to overseas listed shares and to be circulated in overseas exchanges, it shall comply with the relevant regulations of CSRC and entrust the domestic enterprises to file with the CSRC. According to the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed 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 on November 14, 2019 and amended on August 10, 2023, shareholders of domestic unlisted shares may, determine the amount and proportion of shares whose circulation is applied for on their own through consultation, and entrust H-share companies with undergoing the filing formalities with the CSRC. Domestic companies with limited liability which have not been listed in any exchanges, may

file with the "full circulation" of its H-shares with the CSRC along with its overseas initial public offering. H-share companies shall submit relevant status report to the CSRC within 15 days after the shares involved in the application are transferred to the CSDC. On December 31, 2019, the CSDC and Shenzhen Stock Exchange jointly announced the Measures for Implementation of H-share "Full Circulation" Business (《H股"全流通"業務實施細則》), which are applicable to businesses of cross-border share transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission and other related operations in relation to the H-share "full circulation business". On September 20, 2024, the Shenzhen Branch of CSDC issued the Guidelines to the Program for "Full Circulation" of H-shares of Shenzhen Branch of China Securities Depository and Clearing Corporation Limited (《中國證券登記結算有限責任公司深圳分公司H股"全流通"業務指南》), which was amended by the Shenzhen Branch of CSDC on June 27, 2025 and became effective from June 30, 2025, are applicable to the business preparation, cross-border share transfer registration and overseas centralized custody, the initial maintenance of details of domestic shareholding and other related operations. On the same day, China Securities Depository and Clearing (Hong Kong) Company Limited issued the H-Share Full Circulation Business Guide of China Securities Depository and Clearing (Hong Kong) Limited (《中國證券登記結算(香港)有限公司H股"全流通"業務指南》), which is applicable to businesses such as share custody and depository, agent service, arrangement for settlement and delivery, and risk management measures.

OTHER RELEVANT LAWS AND REGULATIONS

Outbound Investment Rule by the U.S. Department of the Treasury

On August 9, 2023, the U.S. President issued Executive Order No. 14105, directing the Secretary of the Treasury to establish a program to prohibit or require notification of certain types of outbound investments by U.S. persons into certain entities located in or subject to the jurisdiction of countries of concern (including China, Hong Kong and Macau) that are engaged in activities in certain sectors (currently including semiconductors and microelectronics, quantum information technologies or artificial intelligence). On January 2, 2025, the Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern became effective (the "Outbound Investment Rule"). Under the Outbound Investment Rules, U.S. persons are subject to notification requirements or prohibitions if they engage in "covered transactions" involving "covered foreign persons".

A "covered foreign person" generally refers to a person of a country of concern that engages in a "covered activity", or certain persons with specified board, voting, equity or contractual rights in such person and meeting the applicable revenue, net income, capital expenditure or operating expense thresholds. "Covered activity" encompasses activities falling within the definitions of "prohibited transactions" and "notifiable transactions" and includes research, development, or manufacturing involving "covered national security technologies and products", which are sensitive technologies and products in the semiconductors and microelectronics, quantum information technologies, and AI sectors that have military, intelligence, surveillance, or cyber-enabled capabilities. Generally, activities and technologies deemed to present the most acute national security concerns are prohibited, while other designated activities are subject to notification requirements.

A "covered transaction" generally includes specified direct or indirect transactions by a U.S. person involving a covered foreign person or expected to result in a person of a country of concern engaging in a "covered activity", including acquisitions of equity or contingent equity interests, certain loans or similar debt financing arrangements, certain asset transactions, joint ventures and certain limited partner or equivalent investments in non-U.S. pooled investment funds, where the relevant requirements under the Outbound Investment Rules are met.

OVERVIEW

The Company's history can be traced back to May 2020, when the Company's predecessor, Hangzhou Biosun Pharmaceutical Co., Ltd. (杭州邦順製藥有限公司), was established. Prior to the establishment of the Company, Mr. Li Bangliang, our executive Director and chairman of the Board, and Dr. Lyu Yubin, our executive Director and general manager, had maintained a long-standing professional collaboration in drug discovery and innovation. During that period, Dr. Lyu Yubin and key members of our current R&D team were employed by the Research Institute and had the opportunity to work closely with Mr. Li Bangliang. The professional collaboration and working relationships formed during that time laid the foundation for the establishment and early development of our Company. The patent rights related to our Core Products, bezacitinib and CX1440, were acquired through assignments from certain entities controlled by the Research Institute. For details, see "Business — Intellectual Property."

On November 26, 2025, the Company was converted from a limited liability company into a joint stock limited company with its corporate name changed to Hangzhou Bangshun Pharmaceutical Co., Ltd. (杭州邦順製藥股份有限公司). As of the Latest Practicable Date, the registered capital of the Company was RMB50,838,962, divided into 50,838,962 Shares, with a nominal value of RMB1.00 each.

MILESTONES

The following sets out a summary of our key development milestones:

Year	Milestone(s)
2020 . .	The predecessor of the Company was established
	The Company completed its Series A Financing
	The Company initiated Phase Ib/II clinical study of bezacitinib for MPNs (including MF, PV and ET)
2021 . .	The Company initiated Phase II/III registrational clinical study of bezacitinib for MF
2022 . .	The Company completed its Series B1 Financing
2023 . .	The Company completed Phase II/III registrational clinical study of bezacitinib for MF
	The Company completed its Series B2 Financing
2024 . .	The Company obtained a Drug Manufacturing Certificate (Type B)
	The Company filed an NDA submission for bezacitinib for MF
	The Company initiated Phase III registrational clinical study of bezacitinib for PV
	The Company completed Phase Ib/II clinical study of CX1440 for ITP
	Construction of our Shaoxing production base commenced
	The Company completed its Series B3 Financing

Year	Milestone(s)
2025 . .	The Company was converted from a limited liability company into a joint stock limited company
	The Company completed patient enrollment for Phase III registrational clinical study of bezacitinib for PV
	The Company initiated pivotal Phase III registrational clinical study of CX1440 for ITP
	The Company completed its Series B4 Financing, Series B5 Financing and Series C Financing
	The Company's clinical trial data regarding the efficacy and safety of bezacitinib was published in 2025 American Cancer Society
2026 . .	The Company received NMPA approval for bezacitinib for MF
	Bezacitinib was included as a recommended treatment for ET and MF in the clinical guidelines issued by the Chinese Society of Clinical Oncology (CSCO)
	The Company completed Phase III registrational clinical study of bezacitinib for PV
	The Company initiated Phase Ib/II clinical study of CX1440 for CU

OUR SUBSIDIARY

As of the Latest Practicable Date, we have one wholly-owned subsidiary, Bangshun Pharmaceutical (Shaoxing) Co., Ltd. (邦順藥業(紹興)有限公司) ("**Bangshun Shaoxing**"), a limited liability company established on June 6, 2024 in the PRC with RMB108 million registered capital, primarily engaged in pharmaceutical R&D and production.

ESTABLISHMENT AND CORPORATE DEVELOPMENT

Establishment and Capital Contribution Prior to Series A Financing

On May 22, 2020, the predecessor of the Company was established under the laws of the PRC with a registered capital of RMB20,000,000 by Hangzhou Jiuyin, Hangzhou Wanyuhe and Hangzhou Sanrui, holding 55.00%, 25.00% and 20.00% of the Company's then registered capital, respectively. The then ultimate beneficial owner of Hangzhou Jiuyin was Dr. Lyu Yubin. The then ultimate beneficial owner of Hangzhou Wanyuhe was Ms. Wang Zhiying (王志英), the spouse of Mr. Li Bangliang. The then ultimate beneficial owner of Hangzhou Sanrui was Ms. Li Yuemin (李閱敏), the daughter of Mr. Li Bangliang.

On November 9, 2020, the Company passed the resolution approving an increase in the then registered capital by RMB10,000,000, among which Hangzhou Jiuyin, Hangzhou Wanyuhe and Hangzhou Sanrui subscribed for RMB5,500,000, RMB2,500,000 and RMB2,000,000, respectively, at a consideration of RMB1.00 for each RMB1.00 of registered capital. The shareholding structure of the Company remained unchanged following the capital contribution.

Series A Financing

Under the capital contribution agreement dated December 18, 2020 entered into among the Company, the Series A Financing investors set forth below and our then Shareholders, the following Series A Financing investors agreed to subscribe for the increased registered capital of the Company (the "**Series A Financing**"):

Subscribers	Registered capital subscribed for	Consideration
	(RMB)	*(RMB)*
Hangzhou Kefa Jinding Venture Capital Partnership (L.P.) (杭州科發金鼎創業投資合夥企業(有限合夥)) ("**Kefa Jinding**")	454,546	16,000,000
Lanxi Puhua Maoxing Venture Capital Partnership Enterprise (Limited Partnership) (蘭溪普華茂行創業投資合夥企業(有限合夥)) ("**Puhua Maoxing**")(1)	1,704,545	60,000,000
Hangzhou Kefa Xianghu Entrepreneurship Investment Partnership Enterprise (Limited Partnership) (杭州科發相湖創業投資合夥企業(有限合夥)) ("**Kefa Xianghu**")	113,636	4,000,000
Hangzhou Yinxingguo Equity Investment Partnership Enterprise (Limited Partnership) (杭州銀杏果股權投資合夥企業(有限合夥)) ("**Hangzhou Yinxingguo**")	284,091	10,000,000
Hangzhou Hongyu Equity Investment Partnership Enterprise (Limited Partnership) (杭州鴻遇股權投資合夥企業(有限合夥)) ("**Hangzhou Hongyu**")	568,182	20,000,000
Hangzhou Luolai Agricultural Technology Co., Ltd. (杭州羅來農業科技有限公司) ("**Hangzhou Luolai**")	284,091	10,000,000
Zhou Long (周龍)	681,818	24,000,000

(1) Under the equity transfer agreement dated September 16, 2021 entered into between Puhua Maoxing and Shaoxing Puhua Zhenyuan Venture Capital Partnership Enterprise (Limited Partnership) (紹興普華震元創業投資合夥企業(有限合夥)) ("**Puhua Zhenyuan**"), Puhua Maoxing transferred the Company's registered capital in the amount of RMB852,272.50 to Puhua Zhenyuan at nil consideration as such registered capital transferred was not paid in. Such equity transfer was conducted for internal restructuring purpose. Both Puhua Maoxing and Puhua Zhenyuan are managed by their respective general partner, Zhejiang Puhua Tianqin Equity Investment Management Limited Corporation (浙江普華天勤股權投資管理有限公司) (the "**Equity Transfer in September 2021**").

Equity Transfers in September 2022

Under the equity transfer agreements dated September 30, 2022 entered into between Hangzhou Hongyu and each one of Zhou Long (周龍), He Zhanneng (何佔能) and Zhu Ju (朱菊), the following investors agreed to acquire the registered capital of the Company from Hangzhou Hongyu (the "**Equity Transfers in September 2022**"). The consideration of the Equity Transfers in September 2022 was determined on arm's length negotiations among the relevant parties taking into account the valuation for the Series A Financing. Hangzhou Hongyu ceased to be our Shareholder after completion of the Equity Transfers in September 2022.

Transferor	Transferees	Registered capital acquired	Consideration
		(RMB)	*(RMB)*
Hangzhou Hongyu	Zhou Long (周龍)	284,091.00	10,000,000
	He Zhanneng (何佔能)	85,227.30	3,000,000
	Zhu Ju (朱菊)	198,863.70	7,000,000

Series B1 Financing

Under the capital contribution agreement dated December 16, 2022 entered into among the Company, our then Shareholders and the Series B1 Financing investors set forth below, the following Series B1 Financing investors agreed to subscribe for the increased registered capital of the Company (the "**Series B1 Financing**"):

Subscribers	Registered capital subscribed for	Consideration
	(RMB)	*(RMB)*
Shenzhen Capital Group Co., Ltd. (深圳市創新投資集團有限公司) ("**SCGC**") (formerly known as Shenzhen Innovation Investment Group Co., Ltd. (深圳市創新科技投資有限公司))	262,237.8	10,000,000
SCGC SME Development Fund (Xinjiang) Limited Partnership Enterprise (深創投中小企業發展基金(新疆)有限合夥企業) ("**Xinjiang SCGC**") (formerly known as SME Development Fund SCGC (Xinjiang) Limited Partnership Enterprise (中小企業發展基金深創投(新疆)有限合夥企業))	1,573,426.6	60,000,000
Shanghai Hongtu Zhixing Entrepreneurship Investment Center (Limited Partnership) (上海紅土智行創業投資中心(有限合夥)) ("**Hongtu Zhixing**")	262,237.8	10,000,000
Suzhou Taiyi Entrepreneurship Investment Center (Limited Partnership) (蘇州汰懿創業投資中心(有限合夥)) ("**Suzhou Taiyi**")[(1)]	1,048,951.1	40,000,000
SOOCHOW INNOVATION CAPITAL MANAGEMENT CO., LTD (東吳創新資本管理有限責任公司) ("**SOOCHOW INNOVATION CAPITAL**")	524,475.5	20,000,000
Westlake Innovation (Hangzhou) Industrial Investment Fund Partnership (Limited Partnership) (西湖創新(杭州)產業投資基金合夥企業(有限合夥)) ("**Westlake Innovation**") (formerly known as Westlake University (Hangzhou) Industrial Investment Fund Partnership (Limited Partnership) (西湖大學(杭州)產業投資基金合夥企業(有限合夥))	393,356.6	15,000,000
Huzhou Yuhao Equity Investment Partnership Enterprise (Limited Partnership) (湖州宇顥股權投資合夥企業(有限合夥)) ("**Huzhou Yuhao**")	393,356.6	15,000,000
Hangzhou Yuhang Qichuang Zhitou Holding Co., Ltd. (杭州余杭啟創智投控股股份有限公司) ("**Yuhang Qichuang**") (formerly known as Hangzhou Yuhang Financial Holding Share Co., Ltd. (杭州余杭金控控股股份有限公司))	262,237.8	10,000,000
Hangzhou Ruilun Investment Management Partnership Enterprise (Limited Partnership) (杭州睿綸投資管理合夥企業(有限合夥)) ("**Hangzhou Ruilun**")	262,237.8	10,000,000
Shanghai Qiangxiong Enterprise Management Consulting Partnership (Limited Partnership) (上海強雄企業管理諮詢合夥企業(有限合夥)) ("**Shanghai Qiangxiong**")	131,118.9	5,000,000
Suzhou Mingwang Venture Capital Partnership (Limited Partnership) (蘇州銘旺創業投資合夥企業(有限合夥)) ("**Suzhou Mingwang**")	52,447.6	2,000,000
Wu Xiaotu (吳小兔)	131,118.9	5,000,000

(1) Under the equity transfer agreement dated January 31, 2023 entered into between Suzhou Taiyi and Suzhou Datai Yikai Entrepreneurship Investment Partnership Enterprise (Limited Partnership) (蘇州達泰醫凱創業投資合夥企業(有限合夥)) ("**Datai Yikai**"), Suzhou Taiyi transferred all of its equity interest in the Company to Datai Yikai at nil consideration (the "**Equity Transfer in 2023**") as such registered capital transferred was not paid in. Such equity transfer was conducted for internal restructuring purpose. Datai Yikai and Suzhou Taiyi were both managed or controlled by Suzhou Delta Capital Investment Management Co., Ltd. (蘇州達泰創業投資管理有限公司).

Series B2 Financing

Under the capital contribution agreement dated September 28, 2023 entered into among the Company, our then Shareholders and Hangzhou Huarui Ruiyin Venture Capital Partnership (Limited Partnership) (杭州華睿睿銀創業投資合夥企業(有限合夥)) ("**Huarui Ruiyin**"), Huarui Ruiyin agreed to subscribe for RMB1,048,951 increased registered capital of the Company at a consideration of RMB40,000,000 (the "**Series B2 Financing**").

Series B3 Financing

Under the capital contribution agreement dated March 16, 2024 entered into among the Company, the Series B3 Financing investors set forth below and our then Shareholders, the following Series B3 Financing investors agreed to subscribe for the increased registered capital of the Company (the "**Series B3 Financing**"):

Subscribers	Registered capital subscribed for	Consideration
	(RMB)	*(RMB)*
Lin Youzhu (林友珠)	917,832.2	35,000,000
Shenzhen Huixian Baifu Venture Capital Partnership (Limited Partnership) (深圳匯賢百福創業投資合夥企業(有限合夥)) ("**Huixian Baifu**")	26,223.8	1,000,000

Series B4 Financing

The Company underwent series B4 financing through capital increases and equity transfer (the "**Series B4 Financing**").

Subscription of increased registered capital in Series B4 Financing

Under a series of capital contribution agreements entered into among the Company, our then Shareholders and the Series B4 Financing investors set forth below, the following Series B4 Financing investors agreed to subscribe for the increased registered capital:

Date of the capital contribution agreements	Subscribers	Registered capital subscribed for	Consideration
		(RMB)	*(RMB)*
May 20, 2024	Shaoxing Binhai New Area Biomedical Industry Equity Investment Fund Partnership (L.P.) (紹興濱海新區生物醫藥產業股權投資基金合夥企業(有限合夥)) ("**Binhai Industry Fund**")	2,360,140	90,000,000
February 28, 2025	Binhai Industry Fund	2,884,615	110,000,000
	Hangzhou Yuhang Innovation and Development Industry Fund Co., Ltd. (杭州余杭創新發展產業基金有限公司) ("**Yuhang Innovation**")	524,475	20,000,000
March 31, 2025	Hangzhou Huiding Tianzeng Investment Partnership Enterprise (Limited Partnership) (杭州匯鼎天增投資合夥企業(有限合夥)) ("**Huiding Tianzeng**")	786,713	30,000,000

Equity Transfer in Series B4 Financing

Under an equity transfer agreement dated June 30, 2024 entered into between Huzhou Yuhao and Lin Youzhu, Huzhou Yuhao agreed to transfer all of its equity interest in the Company to its sole limited partner, Lin Youzhu, at a consideration of RMB15,000,000 (the "**Equity Transfer in Series B4 Financing**"). The consideration of the Equity Transfer in Series B4 Financing was determined on arm's length negotiations among the relevant parties taking into account the valuation for the Series B4 Financing.

Series B5 Financing

Under a capital contribution agreement dated August 18, 2025 entered into among the Company, our then Shareholders and Hangzhou Liangzhu New City Equity Investment Fund Co., Ltd. (杭州良渚新城股權投資基金有限公司) (the "**Liangzhu City Investment**"), Liangzhu City Investment agreed to subscribe for RMB1,048,951 increased registered capital at a consideration of RMB40,000,000 (the "**Series B5 Financing**").

Conversion into a Joint Stock Company

On November 26, 2025, the Company was converted into a joint stock company with its corporate name changed to Hangzhou Bangshun Pharmaceutical Co., Ltd. (杭州邦順製藥股份有限公司). Upon the completion of the conversion, the registered capital of the Company became RMB48,986,013 divided into 48,986,013 Shares with a nominal value of RMB1.00 each.

Series C Financing

Under the capital contribution agreement dated November 28, 2025 entered into among the Company, our then Shareholders and the Series C Financing investors set forth below, the following Series C Financing investors agreed to subscribe for the increased registered capital of the Company (the "**Series C Financing**"):

Subscribers	Registered capital subscribed for	Consideration
	(RMB)	*(RMB)*
Lin Youzhu (林友珠)	851,931	40,000,000
Chen Wei (陳威)	298,176	14,000,000
Wu Qiyuan (吳啟元)	255,579	12,000,000
Tang Wenwen (唐雯雯)	212,983	10,000,000
He Zhanneng (何佔能)	127,789	6,000,000
Liao Mingjun (廖明俊)	106,491	5,000,000

EMPLOYEE INCENTIVE PLATFORM

In recognition of the contributions of our employees and to incentivize them to further promote our development, we established Hangzhou Liuyintai on December 13, 2023 as our employee incentive platform, with Mr. Li Bangliang (李邦良) holding 1.00% partnership interest as its general partner. As of the Latest Practicable Date, Hangzhou Liuyintai had 10 limited partners, details of which are set out below:

Limited Partners	Current position(s) in the Company	Approximate Partnership interest
Mr. Li Yuedong (李閱東)	Executive Director and deputy general manager	82.02%
Ms. Du Ying (杜瑩)	Financial controller	1.89%
Mr. Ye Shuaidong (葉帥東)	Board secretary	1.89%
Other seven current employees of the Group	N/A	13.20%

CAPITALIZATION OF THE COMPANY

The following table is a summary of the capitalization of the Company:

Shareholder	Immediately following the completion of the Series A Financing		Immediately following the completion of the Series B Financing[1]		Immediately following the completion of the Series C Financing and as at the Latest Practicable Date		Immediately following the completion of the [REDACTED] and conversion of the Domestic Shares into H Shares (assuming the [REDACTED] is not exercised)[2]			
	Registered Capital	Percentage of Shareholding	Registered Capital	Percentage of Shareholding	Number of Domestic Shares	Percentage of Shareholding in the Domestic Shares	Number of H Shares	Percentage of Shareholding in the H Shares	Number of Total Shares	Percentage of Shareholding in the Total Issued Share Capital
	(RMB)		*(RMB)*							
Hangzhou Wanyuhe	7,500,000	22.00%	7,500,000	15.31%	7,500,000	14.75%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Hangzhou Sanrui	6,000,000	17.60%	6,000,000	12.25%	6,000,000	11.80%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Hangzhou Liuyintai	–	–	2,385,000	4.87%	2,385,000	4.69%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Sub-total	***13,500,000***	***39.60%***	***15,885,000***	***32.43%***	***15,885,000***	***31.25%***	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Hangzhou Jiuyin	16,500,000	48.40%	14,115,000	28.81%	14,115,000	27.76%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Binhai Industry Fund	–	–	5,244,755	10.71%	5,244,755	10.32%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Lin Youzhu	–	–	1,311,189	2.68%	2,163,120	4.25%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Xinjiang SCGC	–	–	1,573,427	3.21%	1,573,427	3.09%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Datai Yikai	–	–	1,048,951	2.14%	1,048,951	2.06%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Huarui Ruiyin	–	–	1,048,951	2.14%	1,048,951	2.06%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Liangzhu City Investment	–	–	1,048,951	2.14%	1,048,951	2.06%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Zhou Long	681,818	2.00%	965,909	1.97%	965,909	1.90%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Puhua Maoxing	1,704,545	5.00%	852,272	1.74%	852,272	1.68%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Puhua Zhenyuan		–	852,272	1.74%	852,272	1.68%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Huiding Tianzeng	–	–	786,713	1.61%	786,713	1.55%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
SOOCHOW INNOVATION CAPITAL	–	–	524,475	1.07%	524,475	1.03%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Yuhang Innovation	–	–	524,475	1.07%	524,475	1.03%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Kefa Jinding	454,546	1.33%	454,546	0.93%	454,546	0.89%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Westlake Innovation	–	–	393,357	0.80%	393,357	0.77%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Chen Wei	–	–	–	–	298,176	0.59%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Hangzhou Yinxingguo	284,091	0.83%	284,091	0.58%	284,091	0.56%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Hangzhou Luolai	284,091	0.83%	284,091	0.58%	284,091	0.56%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
SCGC	–	–	262,238	0.54%	262,238	0.52%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Hongtu Zhixing	–	–	262,238	0.54%	262,238	0.52%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%

Shareholder	Immediately following the completion of the Series A Financing		Immediately following the completion of the Series B Financing[1]		Immediately following the completion of the Series C Financing and as at the Latest Practicable Date		Immediately following the completion of the [REDACTED] and conversion of the Domestic Shares into H Shares (assuming the [REDACTED] is not exercised)[2]			
	Registered Capital	Percentage of Shareholding	Registered Capital	Percentage of Shareholding	Number of Domestic Shares	Percentage of Shareholding in the Domestic Shares	Number of H Shares	Percentage of Shareholding in the H Shares	Number of Total Shares	Percentage of Shareholding in the Total Issued Share Capital
	(RMB)		*(RMB)*							
Yuhang Qichuang	–	–	262,238	0.54%	262,238	0.52%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Hangzhou Ruilun	–	–	262,238	0.54%	262,238	0.52%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Wu Qiyuan	–	–	–	–	255,579	0.50%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
He Zhanneng	–	–	852,273	0.17%	213,016	0.42%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Tang Wenwen	–	–	–	–	212,983	0.42%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Zhu Ju	–	–	198,864	0.41%	198,864	0.39%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Shanghai Qiangxiong	–	–	131,119	0.27%	131,119	0.26%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Wu Xiaotu	–	–	131,119	0.27%	131,119	0.26%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Kefa Xianghu	113,636	0.33%	113,636	0.23%	113,636	0.22%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Liao Mingjun	–	–	–	–	106,491	0.21%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Suzhou Mingwang	–	–	52,447	0.11%	52,447	0.10%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Huixian Baifu	–	–	26,224	0.05%	26,224	0.05%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Hangzhou Hongyu	568,182	1.67%	–	–	–	–	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Sub-total	***20,590,909***	***60.40%***	***33,101,000***	***67.57%***	***34,953,962***	***68.75%***	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
[**REDACTED**] taking part in the [**REDACTED**]	–	–	–	–	–	–	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Total	**34,090,909**	**100%**	**48,986,013**	**100%**	**50,838,962**	**100%**	[REDACTED]	**100.00%**	[REDACTED]	**100.00%**

Notes:

(1) Series B Financing refers to Series B1 Financing, Series B2 Financing, Series B3 Financing, Series B4 Financing and Series B5 Financing.

(2) All of the Domestic Shares as of the Latest Practicable Date will be converted into H Shares upon completion of the [**REDACTED**].

PUBLIC FLOAT

Pursuant to Rule 19A.13A(1) of the Listing Rules, assuming that the [**REDACTED**] is not exercised, (i) based on an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the low end of the [**REDACTED**]), our expected market capitalization upon the [**REDACTED**] is HK$[**REDACTED**], and the minimum prescribed public float percentage applicable to our Shares is [**REDACTED**]%; (ii) based on an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the [**REDACTED**]), our expected market capitalization upon the [**REDACTED**] is HK$[**REDACTED**], and the minimum prescribed public float percentage applicable to our Shares is [**REDACTED**]%; and (iii) based on an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the high end of the [**REDACTED**]), our expected market capitalization upon the [**REDACTED**] is HK$[**REDACTED**], and the minimum prescribed public float percentage applicable to our Shares is [**REDACTED**]%.

The H Shares held by certain of our Shareholders who are, our core connected persons or directly or indirectly controlled by our core connected persons, will not be counted towards the public float. Details of these Shareholders are set out below:

(a) the Single Largest Group of Shareholders are our substantial Shareholders, therefore the total of [**REDACTED**] H Shares held by it, representing an aggregate of approximately [**REDACTED**]% of our total issued Shares upon the completion of [**REDACTED**], will not be counted towards the public float; and

(b) Hangzhou Jiuyin is one of our substantial Shareholders, therefore the total of [**REDACTED**] H Shares held by it, representing an aggregate of approximately [**REDACTED**]% of our total issued Shares upon the completion of [**REDACTED**], will not be counted towards the public float.

Apart from [**REDACTED**] H Shares described above, all the H Shares will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules upon completion of the [**REDACTED**] and conversion of the Domestic Shares into H Shares, assuming that the [**REDACTED**] is not exercised.

Upon completion of the [**REDACTED**] and conversion of the Domestic Shares into H Shares, assuming that (i) [**REDACTED**] H Shares being issued in the [**REDACTED**]; (ii) the [**REDACTED**] is not exercised; (iii) [**REDACTED**] Domestic Shares being converted to H Shares; and (iv) [**REDACTED**] Shares are issued and outstanding in the share capital of the Company upon completion of the [**REDACTED**], [**REDACTED**] Shares, representing approximately [**REDACTED**]% of the total issued Shares, will be counted towards the public float and is in compliance with the requirement under Rule 19A.13A(1) of the Listing Rules.

FREE FLOAT

Rule 19A.13C of the Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK$50,000,000; or (b) have an expected market value at the time of listing of not less than HK$600,000,000.

Taking into consideration the number of issued share capital of the Company, [**REDACTED**] to be issued under the [**REDACTED**], and Shares held by the existing Shareholders subject to lock-up requirement under the PRC laws and regulations, the expected market value of the H Shares being held by the [**REDACTED**] and not subject to any disposal restrictions at the time of [**REDACTED**] under Rule 19A.13C of the Listing Rules would amount to approximately HK$[**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], being the low end of the [**REDACTED**], and the [**REDACTED**] is not exercised). Accordingly, the Company will comply with the free float requirement under Rule 19A.13C of the Listing Rules at the time of the [**REDACTED**].

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period and up to the Latest Practicable Date, we did not conduct any acquisitions, disposals and mergers that we consider to be material to us.

PRE-[REDACTED] INVESTMENTS

Summary of Pre-[REDACTED] Investments

The following table sets forth a summary of the details of the Pre-[**REDACTED**] Investments[(1)]:

	Series A Financing	Series B1 Financing[(2)]	Series B2 Financing	Series B3 Financing	Series B4 Financing[(3)]	Series B5 Financing	Series C Financing
Amount of registered capital or number of Shares subscribed for	RMB4,090,909	RMB5,297,203	RMB1,048,951	RMB944,056	RMB6,555,943	RMB1,048,951	RMB1,852,949
Amount of consideration paid	RMB144,000,000	RMB202,000,000	RMB40,000,000	RMB36,000,000	RMB250,000,000	RMB40,000,000	RMB87,000,000
Post-money valuation of the Company	RMB1,200 million	RMB1,502 million[(4)]	RMB1,542 million	RMB1,578 million	RMB1,828 million	RMB1,868 million	RMB2,387 million[(5)]
Date of the investment agreement	December 18, 2020	December 16, 2022	September 28, 2023	March 16, 2024	May 20, 2024 February 28, 2025 March 31, 2025	August 18, 2025	November 28, 2025
Date of payment of full consideration	December 31, 2021	August 7, 2023	October 10, 2023	May 31, 2024	May 9, 2025	August 27, 2025	December 4, 2025
Cost per Share paid under the Pre-[REDACTED] Investment	RMB35.20	RMB38.13	RMB38.13	RMB38.13	RMB38.13	RMB38.13	RMB46.95
Discount to the [REDACTED][(6)]	[**REDACTED**]%	[**REDACTED**]%	[**REDACTED**]%	[**REDACTED**]%	[**REDACTED**]%	[**REDACTED**]%	[**REDACTED**]%
Basis of consideration	The consideration for each round of the Pre-[**REDACTED**] Investments was determined based on arm's length negotiations among the relevant parties taking into consideration the timing of the investments and the Company's development stage and status of clinical trials.						
Use of proceeds and whether they have been fully utilized	We utilized the proceeds from the Pre-[**REDACTED**] Investments for our principal business, including but not limited to the growth and expansion of our Company's business and general working capital purposes. As of the Latest Practicable Date, approximately 78.70% of the net proceeds from the Pre-[**REDACTED**] Investments had been utilized.						
Lock-up	Under the applicable PRC laws and regulations, within the 12 months following the [**REDACTED**], no current Shareholders (including the Pre-[**REDACTED**] Investors) may dispose of any of the Shares held by them.						
Strategic benefits	At the time of the Pre-[**REDACTED**] Investments, the Directors were of the view that (i) the Company would benefit from the additional capital provided by the Pre-[**REDACTED**] Investors and their market influence, knowledge and experience and (ii) the Pre-[**REDACTED**] Investments demonstrated the Pre-[**REDACTED**] Investors' confidence in the operation and development of our Group.						

(1) The Equity Transfer in September 2021 is not included in the above table as the transfer was conducted between the Shareholders, in which the Company was not involved. The consideration of the transfer was nil. For details of the Equity Transfer in September 2021, see "— Establishment and Corporate Development — Series A Financing" in this section. The Equity Transfers in September 2022 are not included in the above table as the transfers were conducted between the Shareholders and the consideration of the transfers in the total amount of RMB20,000,000 was paid to Hangzhou Hongyu (instead of the Company) by the relevant Pre-[**REDACTED**] Investors. The consideration of such transfers was fully settled on September 30, 2022. Taking into account of the Company's conversion into a joint stock limited company, the cost per Share of such transfers was approximately RMB35.20. The discount to the [**REDACTED**] of such transfers is approximately [**REDACTED**]%. For details of the Equity Transfers in September 2022, see "— Establishment and Corporate Development — Equity Transfers in September 2022" in this section.

(2) The Equity Transfer in 2023 is not included in the above table as the transfer was at nil consideration. For details of the Equity Transfer in 2023, see "— Establishment and Corporate Development — Series B1 Financing" in this section.

(3) The Equity Transfer in Series B4 Financing is not included in the above table as the transfer was conducted between the Shareholders and the consideration of the transfer in the amount of RMB15,000,000 was paid to Huzhou Yuhao (instead of the Company) by the relevant Pre-[**REDACTED**] Investor. The consideration of such transfer was fully settled on May 28, 2024. Taking into account of the Company's conversion into a joint stock limited company, the cost per Share of such transfer was approximately RMB38.13. The discount to the [**REDACTED**] of such transfer is approximately [**REDACTED**]%. For details of the Equity Transfer in Series B4 Financing, see "— Establishment and Corporate Development — Series B4 Financing — Equity Transfer in Series B4 Financing" in this section.

(4) The increase in the valuation of the Company from the Series A Financing to the Series B Financing was primarily due to our core product bezacitinib initiating Phase II/III registrational clinical trial for MF.

(5) The increase in the valuation of the Company from the Series B5 Financing to the Series C Financing was primarily due to the initiation of the Phase III registrational clinical trial for CX1440 for ITP, the submission of the clinical data regarding bezacitinib for MF for publication, and the completion of patient enrollment for the Phase III clinical trial of PV.

(6) Calculated based on the [**REDACTED**] of HK$[**REDACTED**], being the mid-point of the [**REDACTED**].

Valuation of Our Company

Based on the [**REDACTED**] of HK$[**REDACTED**] (the mid-point of the [**REDACTED**]) and assuming the [**REDACTED**] is not exercised, the valuation of the Company upon [**REDACTED**] will be approximately HK$[**REDACTED**] (the "**Proposed [REDACTED] Valuation**").

The increase in the Company's post-money valuation from the Series C Financing to the Proposed [**REDACTED**] Valuation primarily reflects the progress of the Company's pipeline candidates, including but not limited to (i) the development of bezacitinib: (a) for the myelofibrosis (MF) indication, its NDA was accepted by the NMPA in August 2024 and received NDA approval in April 2026; (b) bezacitinib was included in the Chinese Society of Clinical Oncology (CSCO) clinical guideline recommendations for MF treatment in April 2026; (c) for polycythemia vera (PV), an open-label, randomized, multicenter Phase III clinical study is ongoing to evaluate its efficacy and safety compared with best available therapy (BAT) in hydroxyurea-resistant/intolerant patients. Patient enrollment for Phase III trial was completed in October 2025 and the study is currently in the follow-up observation period. The registrational Phase III study has been completed in May 2026, with submission of an NDA anticipated in the third quarter of 2026; and (ii) the development of CX1440: (a) for chronic urticaria (CU), a Phase I/II clinical study in adult patients is ongoing to evaluate its efficacy, safety, and drug interactions, with Phase I clinical data expected in the first half of 2026, following which the Phase II trial protocol to be finalized based on the Phase I results; (b) for autoimmune hemolytic anemia (AIHA), a Phase Ib/II clinical study is planned to evaluate its safety and efficacy. The Company has completed protocol communication with the CDE and expects to formally initiate the clinical trial in the third quarter of 2026. The continuous progress of our business development is expected to support the step-up in the Proposed [**REDACTED**] Valuation of the Group.

Rights of the Pre-[REDACTED] Investors

The Pre-[**REDACTED**] Investors were granted certain special rights, including but not limited to redemption right, right of first refusal, anti-dilution right, liquidation preference right and information right. The redemption right, right of first refusal, anti-dilution right and director nomination right were terminated one day prior to the Company's first submission of [**REDACTED**] to the Stock Exchange (the "[**REDACTED**]"). The redemption right, right of first refusal, anti-dilution right and director nomination right shall be automatically reinstated upon occurrence of any of the following events: (a) the [**REDACTED**] was returned or rejected; (b) the [**REDACTED**] was withdrawn by the Company; (c) the Company fails to complete the [**REDACTED**] by [**REDACTED**]; or (d) no [**REDACTED**] approval was granted by [**REDACTED**] vetting authorities. The other special rights will automatically be terminated upon the [**REDACTED**].

Information about our Pre-[REDACTED] Investors

Binhai Industry Fund is our Sophisticated Investor, who has made meaningful investment in the Company in accordance with Chapter 2.3 of the Guide for New Listing Applicants. Binhai Industry Fund will hold approximately [**REDACTED**]% of the Company's total issued share capital upon the [**REDACTED**] (assuming the [**REDACTED**] is not exercised).

The background information of our Pre-[**REDACTED**] Investors is set out below. To the best knowledge of the Directors, each of the Pre-[**REDACTED**] Investors and their respective ultimate beneficial owners is an independent third party, and has no past or present relationship with the Company, any connected persons of the Company or other Pre-[**REDACTED**] Investors.

Binhai Industry Fund

Binhai Industry Fund is a limited partnership established in the PRC, primarily engaging in venture capital investment and equity investment. Its general partner is Shanghai Shengzhong Investment Management Co., Ltd. (上海盛重投資管理有限公司) ("**Shanghai Shengzhong**"), which is indirectly owned as to 74.72% by Shanghai Shengshi Hongming Investment Group Co., Ltd. (上海盛世鴻明投資集團有限公司) ("**Shengshi Hongming**") through China Grand Prosperity Investment Co., Ltd. (北京盛世宏明投資基金管理有限公司). The largest shareholder of Shengshi Hongming is Jiang Mingming (姜明明), holding approximately 57.44% of registered capital. None of the other shareholders of Shengshi Hongming holds more than 30.00% of the registered capital interest.

Binhai Industry Fund has two limited partners: Shaoxing Binhai New Area Development Group Co., Ltd. (紹興濱海新區發展集團有限公司) ("**Shaoxing Binhai Development**") and Shaoxing Binhai New Area Science and Technology Innovation Industry Development Co., Ltd. (紹興濱海新區科創產業發展有限公司) ("**Shaoxing Binhai Kechuang**"), holding 51.99% and 48.00% of partnership interest, respectively, both of which are wholly owned by Shaoxing Binhai New Area Holding Group Co., Ltd. (紹興濱海新區控股集團有限公司) ("**Shaoxing Binhai Holding**"). Shaoxing Binhai Holding is owned as to approximately 51.62% and 30.00% by Shaoxing Transportation Holdings Group Co., Ltd. (紹興市交通控股集團有限公司) ("**Shaoxing Transportation Group**") and Shaoxing Shangyu Traffic Investment Co., Ltd. (紹興市上虞區交通投資有限公司) ("**Shangyu Traffic Investment**"), respectively. Shangyu Traffic Investment is wholly owned by Shaoxing Shangyu District Transportation Group Co., Ltd. (紹興市上虞區交通集團有限公司), which is in turn directly and indirectly owned as to 90% by State-owned Assets Supervision and Administration Commission of Shangyu District, Shaoxing City (紹興市上虞區國有資產監督管理委員會). Shaoxing Transportation Group is owned as to 90.00% by Shaoxing Municipal People's Government State-owned Assets Supervision and Administration Commission (紹興市人民政府國有資產監督管理委員會).

Binhai Industry Fund is a fund primarily dedicated to the healthcare and biotech related emerging industries, with more than 70% of its assets under management allocated to such industries after deducting necessary operating expenses. As of the Latest Practicable Date, the assets under management of Binhai Industry Fund are about RMB10 billion. Binhai Industry Fund also invested in healthcare and biotech companies including BrainAurora Medical Technology Limited (腦動極光醫療科技有限公司) (a company listed on the Stock Exchange (stock code: 6681)), HeiLongJiang ZBD Pharmaceutical Co., Ltd. (黑龍江珍寶島藥業股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 603567.SH)), LYNK PHARMACEUTICALS CO., LTD. (凌科藥業(浙江)股份有限公司), AccuPulse Medical Device (Zhejiang) Ltd. (艾科脈醫療器械(浙江)有限公司), Zhejiang Pushkang Biotechnology Co., Ltd. (浙江普施康生物科技有限公司) and Novocodex Biopharmaceuticals Co., Ltd (浙江新碼生物醫藥股份有限公司). Binhai Industry Fund is a Sophisticated Investor.

Lin Youzhu

Ms. Lin Youzhu is an individual investor of the Company, who became acquainted with our Company through Mr. Li Bangliang and Mr. Li Yuedong. Ms. Lin has over 20 years of experience in financial management, with expertise in investment management and financial administration. Ms. Lin invested in the Company by acquiring equity interest directly from Huzhou Yuhao and participating in Series B3 Financing and Series C Financing, with a view to benefiting from our future growth.

SCGC Shareholders

Xinjiang SCGC and Hongtu Zhixing are both limited partnerships established in the PRC, whose general partners, Shanghai Hongtu Innovation Private Equity Fund Management Co., Ltd. (上海紅土創新私募基金管理有限公司) ("**Shanghai Hongtu**") and Yingtan Hongtu Youchuang

Investment Management Co., Ltd. Partnership (鷹潭紅土優創投資管理有限合夥企業) ("**Yingtan Hongtu**"), respectively, are indirectly wholly owned by SCGC through its wholly-owned subsidiary, SCGC Hongtu Private Equity Investment Fund Management (Shenzhen) Co., Ltd. (深創投紅土私募股權投資基金管理(深圳)有限公司) ("**SCGC Hongtu**").

SCGC is a limited company incorporated in the PRC primarily focusing on capital venture investment and investment consulting. None of SCGC's shareholders holds more than 30.00% of the registered capital interest in SCGC. The largest shareholder is Shenzhen Municipal People's Government State Owned Asset Supervision and Management Commission (深圳市人民政府國有資產監督管理委員會), holding approximately 28.20% of the registered capital.

Xinjiang SCGC is primarily engaged in venture capital investment and investment consulting. Xinjiang SCGC has 30 limited partners, and the largest limited partner is National Small and Medium Sized Enterprise Development Fund Co., Ltd. (國家中小企業發展基金有限公司), holding approximately 29.53% of the partnership interest.

Hongtu Zhixing is primarily engaged in venture capital investment and investment consulting. Its general partner is Yingtan Hongtu, whose general partner is SCGC Hongtu. The sole limited partner of Yingtan Hongtu is Changzhou Hongtu High Tech Investment Management Co., Ltd. (常州紅土高科投資管理有限公司) ("**Changzhou Hongtu**"), holding 30.00% of the partnership interest. Changzhou Hongtu is wholly owned by SCGC Hongtu. Hongtu Zhixing has nine limited partners, and the largest is SCGC, holding approximately 33.52% of the partnership interest. None of the other limited partners of Hongtu Zhixing holds more than 30.00% of the partnership interest.

Datai Yikai

Datai Yikai is a limited partnership established in the PRC, primarily engaging in venture capital investment. Its general partner is Suzhou Delta Capital Investment Management Co., Ltd. (蘇州達泰創業投資管理有限公司), which is owned as to approximately 43.47% and 43.47% by Zhang Lizhong (張立忠) and Li Quansheng (李泉生), respectively. Datai Yikai has 13 limited partners, and the largest limited partner is Zhao Jianning (趙建寧), holding approximately 68.03% of partnership interest. None of the other limited partners of Datai Yikai holds more than 30.00% of the partnership interest.

Huarui Ruiyin

Huarui Ruiyin is a limited partnership established in the PRC, primarily engaging in venture capital investment. Its general partner is Hangzhou Fuhua Ruiyin Enterprise Management Co., Ltd. (杭州富華睿銀企業管理有限公司), a wholly-owned subsidiary of Zhejiang Fuhua Ruiyin Investment Management Ltd. (浙江富華睿銀投資管理有限公司), which is in turn owned as to 79.00% by Zong Peimin (宗佩民). Huarui Ruiyin has 25 limited partners, and none of them holds more than 30.00% of the partnership interest.

Zhou Long

Mr. Zhou Long is an individual investor of the Company, who became acquainted with our Company through Puhua Shareholders. Mr. Zhou Long invested in the Company by participating in Series A Financing and acquiring equity interest directly from Hangzhou Hongyu, with a view to benefiting from our future growth.

Puhua Shareholders

Puhua Maoxing and Puhua Zhenyuan are limited partnerships established in the PRC, primarily engaging in venture capital investment. Both funds are managed through their general partner, Zhejiang Puhua Tianqin Equity Investment Management Limited Corporation (浙江普華天勤股權投資管理有限公司) ("**Puhua Tianqin**"), which is owned as to 72.00% by Shen Qinhua (沈琴華).

Puhua Maoxing has two limited partners: Hangzhou Puhua Rui Kun Venture Investment Partnership (L.P.) (杭州普華銳昆創業投資合夥企業(有限合夥)) ("**Puhua Rui Kun**") and Shen Xiangxi (沈祥熙), holding approximately 65.57% and 32.79% of partnership interest, respectively. The general partner of Puhua Rui Kun is Hangzhou Puhua Zexi Equity Investment Fund Management Co., Ltd. (杭州普華澤翕股權投資基金管理有限公司), which is wholly owned by Puhua Tianqin. Puhua Rui Kun has eight limited partners, with the largest being Hangzhou Puhua Fanshun Investment Partnership Enterprise (Limited Partnership) (杭州普華帆順投資合夥企業(有限合夥)) ("**Puhua Fanshun**") holding 38.62% of the partnership interest. None of the other limited partners of Puhua Rui Kun holds more than 30.00% of the partnership interest. The general partner of Puhua Fanshun is Hangzhou Puhua Tianji Equity Investment Management Co., Ltd. (杭州普華天驥股權投資管理有限公司) ("**Puhua Tianji**"), a wholly-owned subsidiary of Puhua Tianqin. Puhua Fanshun has seven limited partners, among which Xiamen Puhua Jiachen Investment Partnership Enterprise (Limited Partnership) (廈門普華嘉辰投資合夥企業(有限合夥)) ("**Puhua Jiachen**") and Lanxi Puhua Zexin Equity Investment Partnership Enterprise (Limited Partnership) (蘭溪普華澤信股權投資合夥企業(有限合夥)) ("**Puhua Zexin**") hold approximately 37.96% and 37.13% of the partnership interest, respectively. None of the other limited partners of Puhua Fanshun holds more than 30.00% of the partnership interest. The general partner of Puhua Jiachen is Puhua Tianqin. Puhua Jiachen has seven limited partners and the largest limited partner is Wang Yonghong (王永紅), holding approximately 36.70% of the partnership interest. None of the other limited partners of Puhua Jiachen holds more than 30.00% of the partnership interest. The general partner of Puhua Zexin is Puhua Tianji. Puhua Zexin has 16 limited partners, and the largest limited partner is Chen Ling'er (陳玲兒), holding approximately 38.24% of the partnership interest. None of the other limited partners of Puhua Zexin holds more than 30.00% of partnership interest.

Puhua Zhenyuan has six limited partners and none of them holds more than 30.00% of the partnership interest. The largest limited partner is Zhejiang Zhenyuan Share Co., Ltd. (浙江震元股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000705.SZ), and holds 26.00% of the partnership interest.

Huiding Tianzeng

Huiding Tianzeng is a limited partnership established in the PRC, primarily engaging in equity investment. Its general partner is Hangzhou Huiding Tianshi Enterprise Management Partnership (Limited Partnership) (杭州匯鼎天時企業管理合夥企業(有限合夥)) ("**Huiding Tianshi**"). The general partner of Huiding Tianshi is Ningbo Huiding Cornerstone Investment Management Co., Ltd. (寧波匯頂基石投資管理有限公司), which is wholly owned by He Xin (何欣). Huiding Tianshi is owned as to 79.20% by He Xin. Huiding Tianzeng has 22 limited partners, and none of them holds more than 30.00% of the partnership interest.

SOOCHOW INNOVATION CAPITAL

SOOCHOW INNOVATION CAPITAL is a limited company incorporated in the PRC primarily focusing on asset management, investment advisory and equity, industry and project investment. SOOCHOW INNOVATION CAPITAL is wholly owned by Soochow Securities Co., Ltd. (東吳證券股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601555.SH).

Yuhang Shareholders

Yuhang Qichuang, Yuhang Innovation and Liangzhu City Investment are limited companies incorporated in the PRC focusing on equity and industry investment, all of which are indirectly controlled by Hangzhou Yuhang State Owned Capital Investment and Operation Group Co., Ltd. (杭州余杭國有資本投資運營集團有限公司) ("**Yuhang State Owned Investment**"), which is owned as to 85.00% by Hangzhou Yuhang District Finance Bureau (Hangzhou Yuhang District People's Government State-owned Assets Supervision and Administration Office) (杭州市余杭區財政局(杭州市余杭區人民政府國有資產監督管理辦公室)) ("**Hangzhou Yuhang SASAO**").

Yuhang Qichuang is owned as to approximately 54.98%, 36.50% and 8.52% by Hangzhou Yuhaojin Investment Partnership Enterprise (Limited Partnership) (杭州余浩金投資合夥企業(有限合夥)) ("**Hangzhou Yuhaojin**"), Hangzhou Yuyongjin Investment Partnership Enterprise (Limited Partnership) (杭州余湧金投資合夥企業(有限合夥)) ("**Hangzhou Yuyongjin**") and Hangzhou Lidu Science and Technology Innovation Development Co., Ltd. (杭州麗都科創發展有限公司), respectively. The general partner of Hangzhou Yuhaojin is Hangzhou Jinzhong Financial Consulting Co., Ltd. (杭州金眾財務諮詢有限公司) ("**Hangzhou Jinzhong**"), which is owned as to approximately 46.52% by Yuhang State Owned Investment. None of the other shareholders of Hangzhou Jinzhong holds more than 30.00% of the registered capital. Hangzhou Yuhaojin has ten limited partners, and the largest limited partner is Yuhang State Owned Investment, holding 46.47% of the partnership interest. None of the other limited partners of Hangzhou Yuhaojin holds more than 30.00% of the partnership interest. The general partner of Hangzhou Yuyongjin is Hangzhou Yuhang Mengchuang Equity Investment Management Co., Ltd. (杭州余杭夢創股權投資管理有限公司), a wholly-owned subsidiary of Yuhang State Owned Investment. Hangzhou Yuyongjin has seven limited partners, and the largest limited partner is Zhejiang Chouzhou Commercial Bank Share Co., Ltd. (浙江稠州商業銀行股份有限公司) ("**Chouzhou Bank**"), holding 49.50% of the partnership interest. To the best knowledge of the Company, none of the shareholders holds more than 30% equity interest in Chouzhou Bank. None of the other limited partners of Hangzhou Yuyongjin holds more than 30.00% of the partnership interest.

Yuhang Innovation is wholly owned by Hangzhou Yuhang Industrial Investment Development Co., Ltd. (杭州余杭產業投資發展有限公司) ("**Yuhang Development**"), which is in turn wholly owned by Yuhang State Owned Investment.

Liangzhu City Investment is owned as to 60.00% and 40.00% by Hangzhou Yuhang Industry Fund Co., Ltd. (杭州余杭產業基金有限公司) ("**Yuhang Industry Fund**") and Hangzhou Liangzhu Cultural City Group Co., Ltd. (杭州良渚文化城集團有限公司) ("**Liangzhu Cultural**"), respectively. Yuhang Industry Fund is wholly owned by Yuhang Development. Liangzhu Cultural is owned as to 90.00% by Yuhang State Owned Investment.

Kefa Shareholders

Kefa Jinding and Kefa Xianghu are limited partnerships established in the PRC. Both funds are managed through their general partner, Zhejiang Kefa Capital Management Co., Ltd. (浙江科發資本管理有限公司) ("**Kefa Capital**"), which is owned as to 50.00% and 30.00% by Chen Xiaofeng (陳曉鋒) and Chen Gao (陳杲), respectively.

Kefa Jinding is primarily engaged in venture capital investment. Kefa Jinding has 17 limited partners. None of the limited partners of Kefa Jinding holds more than 30.00% of the partnership interest.

Kefa Xianghu is primarily engaged in venture capital investment. Kefa Xianghu has two limited partners: Zhou Hongjuan (周紅娟) and Ma Sansan (馬三三), holding 89.20% and 9.80% of the partnership interest, respectively.

Westlake Innovation

Westlake Innovation is a limited partnership established in the PRC, primarily engaging in equity investment. Its general partner is Hangzhou Tanzhen Enterprise Management Partnership (Limited Partnership) (杭州探真企業管理合夥企業(有限合夥)) ("**Hangzhou Tanzhen**"), whose general partner is Westlake Innovation (Hangzhou) Private Equity Fund Management Co., Ltd. (西湖創新(杭州)私募基金管理有限公司) ("**Westlake Management**"). Westlake Management is indirectly wholly owned by Westlake University (西湖大學) through Westlake University (Hangzhou) Development Co., Ltd. (西湖大學(杭州)發展有限公司). Westlake Innovation has six limited partners, and none of them holds more than 30.00% of the partnership interest.

Chen Wei

Mr. Chen Wei is an individual investor of the Company, who became acquainted with our Company through Mr. Li Bangliang and Mr. Li Yuedong. Mr. Chen has over 15 years of experience in the manufacturing industry, with expertise in corporate operation and management. Mr. Chen invested in the Company by participating in Series C Financing, with a view to benefiting from our future growth.

Hangzhou Yinxingguo

Hangzhou Yinxingguo is a limited partnership established in the PRC, primarily engaging in private equity investment and investment management. Its general partner is Zhejiang Yinxinggu Investment Co., Ltd. (浙江銀杏穀投資有限公司), which is owned as to approximately 37.04% and 35.22% by Hangzhou Pingzhong Investment Co., Ltd. (杭州平仲投資有限公司) ("**Hangzhou Pingzhong**") and Zhejiang Yinxinggu Technology Co., Ltd. (浙江銀杏穀科技有限公司) ("**Yinxinggu Technology**"), respectively. Hangzhou Pingzhong is owned as to 38.75% by Hangzhou Keyi Investment Management Co., Ltd (杭州科藝投資管理有限公司), which is in turn owned as to approximately 90.91% by Chen Xiangming (陳向明). None of the other shareholders of Hangzhou Pingzhong holds more than 30.00% of the registered capital. Yinxinggu Technology is owned as to approximately 98.82% by Chen Xiangming.

Hangzhou Yinxingguo has a sole limited partner, Zhejiang Yuhuang Shannan Private Equity Fund Management Co., Ltd. (浙江玉皇山南私募基金管理有限公司) ("**Zhejiang Yuhuang Shannan**"), holding approximately 98.18% of the partnership interest. Zhejiang Yuhuang Shannan is approximately owned as to 60.14% and 20.99% by Hangzhou Aofei Enterprise Management Partnership (Limited Partnership) (杭州翱飛企業管理合夥企業(有限合夥)) ("**Hangzhou Aofei**") and Dunhe Holdings Limited (敦和控股有限公司), respectively. The general partner of Hangzhou Aofei is Hu Juewen (胡鐲文), who holds approximately 75.17% of the partnership interest.

Hangzhou Luolai

Hangzhou Luolai is a limited company incorporated in the PRC primarily focusing on agricultural technology, agriculture tourism and integrated agricultural services. Hangzhou Luolai is owned as to 80.00% and 20.00% by Luo Cheng (儸承) and Xu Yinfeng (徐銀鋒), respectively.

Hangzhou Ruilun

Hangzhou Ruilun is a limited partnership established in the PRC, primarily engaging in equity investment. Its general partner is Hangzhou Ruiying Asset Management Co., Ltd. (杭州睿贏資產管理有限公司), which is owned as to 85.00% and 15.00% by Zhao Jianlun (趙劍侖) and Shen Feiying (沈飛英), respectively. Hangzhou Ruilun has 14 limited partners, and none of them holds more than 30.00% of the partnership interest.

Wu Qiyuan

Mr. Wu Qiyuan is an individual investor of the Company, who became acquainted with our Company through Mr. Li Bangliang and Mr. Li Yuedong. Mr. Wu has over 15 years of experience in pharmaceutical industry and over 25 years of experience in hotel management. He is the founder of SSAW Hotels & Resorts Group Co., Ltd. (君亭酒店集團股份有限公司), a company listed on the Shenzhen stock exchange (stock code: 301073.SZ).

He Zhanneng

Mr. He Zhanneng is an individual investor of the Company, who became acquainted with our Company through Puhua Shareholders. Mr. He has nearly 40 years of experience in the architectural design industry, with expertise in the operation and corporate management of design firms, and has invested in multiple innovative technology companies. Mr. He invested in the Company by acquiring equity interest directly from Hangzhou Hongyu and participating in Series C Financing, with a view to benefiting from our future growth.

Tang Wenwen

Ms. Tang Wenwen is an individual investor of the Company, who became acquainted with our Company through Mr. Zhang Yuhao. Ms. Tang is a financial professional specializing in private securities funds. Ms. Tang invested in the Company by participating in Series C Financing, with a view to benefiting from our future growth.

Zhu Ju

Ms. Zhu Ju is an individual investor of the Company, who became acquainted with our Company through Puhua Shareholders. Ms. Zhu has over 20 years of experience in corporate management, with expertise in corporate operations and financial management, and has invested in multiple innovative pharmaceutical companies. Ms. Zhu invested in the Company by acquiring equity interest directly from Hangzhou Hongyu, with a view to benefiting from our future growth.

Shanghai Qiangxiong

Shanghai Qiangxiong is a limited partnership established in the PRC, primarily engaging in enterprise management and financial consulting. Its general partner is Pan Xingyu (潘省予). Shanghai Qiangxiong has a sole limited partner, Shanghai Moshun Enterprise Management Consulting Partnership (Limited Partnership) (上海摩舜企業管理諮詢合夥企業(有限合夥)) ("**Shanghai Moshun**"), holding 99.99% of the partnership interest. The general partner of Shanghai Moshun is Lin Hanqiu (林寒秋), and its sole limited partner is Shanghai Moshuo Respiratory Health Technology Co., Ltd. (上海摩碩呼吸健康科技有限公司), holding 90.00% of the registered capital, which is in turn 90.91% held by Pan Xingyu.

Wu Xiaotu

Mr. Wu Xiaotu is an individual investor of the Company, who became acquainted with our Company through SCGC. Mr. Wu has over 10 years of experience in the real estate and logistics warehousing industries, and has extensive experience in fund investment. Mr. Wu invested in the Company by participating in Series B1 Financing, with a view to benefiting from our future growth.

Liao Mingjun

Mr. Liao Mingjun is an individual investor of the Company, who became acquainted with our Company through Mr. Li Bangliang and Mr. Li Yuedong. Mr. Liao has over 20 years of experience in the pharmaceutical industry and is a director of Zhejiang Weilishu Health Technology Co., Ltd. Mr. Liao invested in the Company by participating in Series C Financing, with a view to benefiting from our future growth.

Suzhou Mingwang

Suzhou Mingwang is a limited partnership established in the PRC, primarily engaging in venture capital investment. Its general partner is Dong Ting Lake Capital Management Company Ltd. (寧波嘉銘浩春投資管理有限責任公司), which is held as to 40.00%, 37.00% and 10.00% by Yin Qichun (尹柒春), Tan Hao (譚浩) and Jiang Mingming (姜明明), respectively. Suzhou Mingwang has two limited partners: Xiong Lingling (熊玲玲) and Zhang Fan (張番), holding approximately 76.34% and 22.90% of the partnership interest, respectively.

Huixian Baifu

Huixian Baifu is a limited partnership established in the PRC, primarily engaging in venture capital investment. Its general partner is Hainan Sanya Huixian Private Equity Fund Management Co., Ltd. (海南三亞匯賢私募基金管理有限公司), which is indirectly wholly owned by Ma Guizhun (馬貴諄). Huixian Baifu has two limited partners, Hainan Baifuzi Technology Co., Ltd. (海南百福資科技有限公司) ("**Hainan Baifuzi**") and Chen Xiangjiao (陳香嬌), each one of which holds approximately 49.69% of the partnership interest. Hainan Baifuzi is indirectly wholly owned by Ma Guizhun.

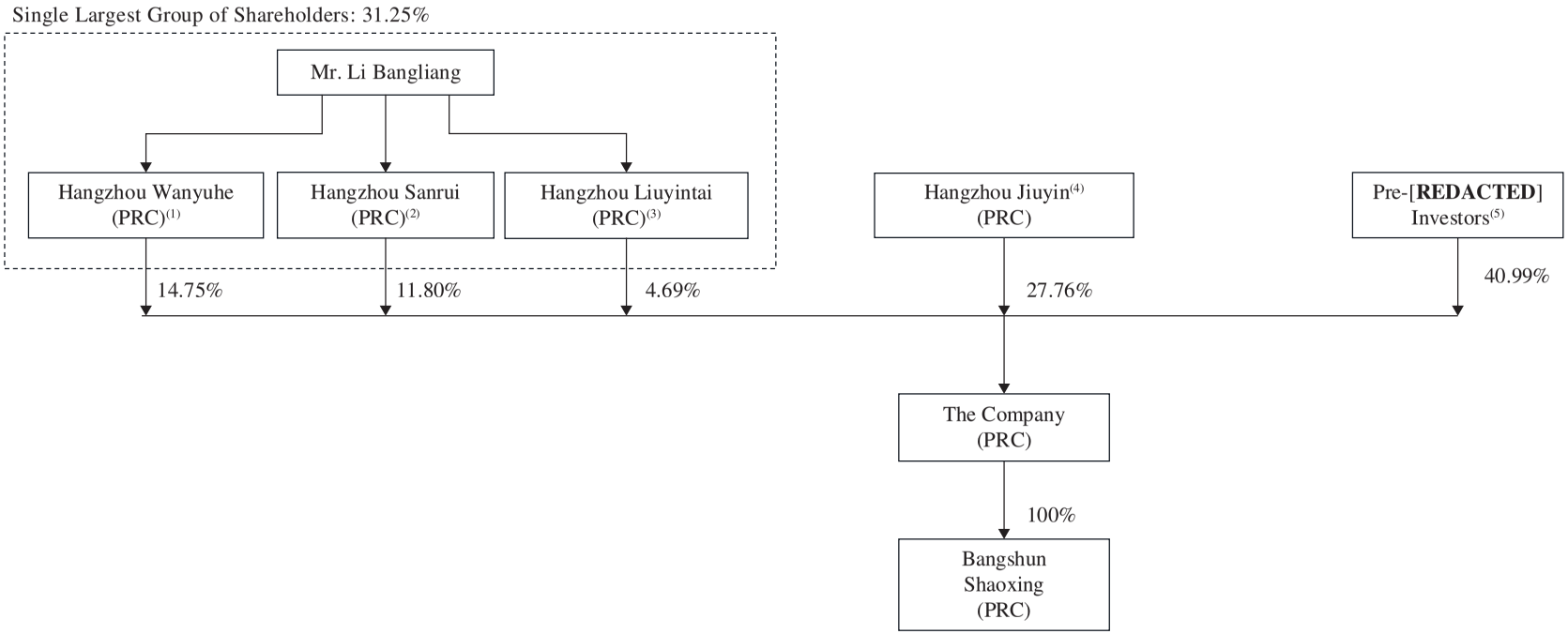
Sole Sponsor's Confirmation

On the basis that (i) the respective consideration for the Pre-[**REDACTED**] Investments was settled more than 28 clear days before the date of the Company's first submission of the [**REDACTED**] form to the Stock Exchange, (ii) the redemption right granted to the Pre-[**REDACTED**] Investor ceased to be exercisable immediately before the Company's first submission of the [**REDACTED**] form to the Stock Exchange, and all other special rights granted to the Pre-[**REDACTED**] Investor will be terminated upon the [**REDACTED**], the Sole Sponsor confirms that the Pre-[**REDACTED**] Investment is in compliance with Chapter 4.2 of the Guide for New Listing Applicants.

CORPORATE STRUCTURE

Corporate Structure Immediately before Completion of the [REDACTED]

The following chart illustrates the shareholding structure and simplified corporate structure of the Group immediately prior to the completion of the [**REDACTED**] and conversion of the Domestic Shares into H Shares:



(1) As of the Latest Practicable Date, Hangzhou Wanyuhe was owned as to 99% and 1% by Mr. Li Bangliang and Ms. Li Yuemin (李閱敏), the daughter of Mr. Li Bangliang, respectively. Hangzhou Wanyuhe is primarily engaged in investment in pharmaceutical and healthcare industry and it holds equity investments in five companies.

(2) As of the Latest Practicable Date, Hangzhou Sanrui, a limited partnership established in the PRC, was owned as to 80% by its general partner Mr. Li Bangliang.

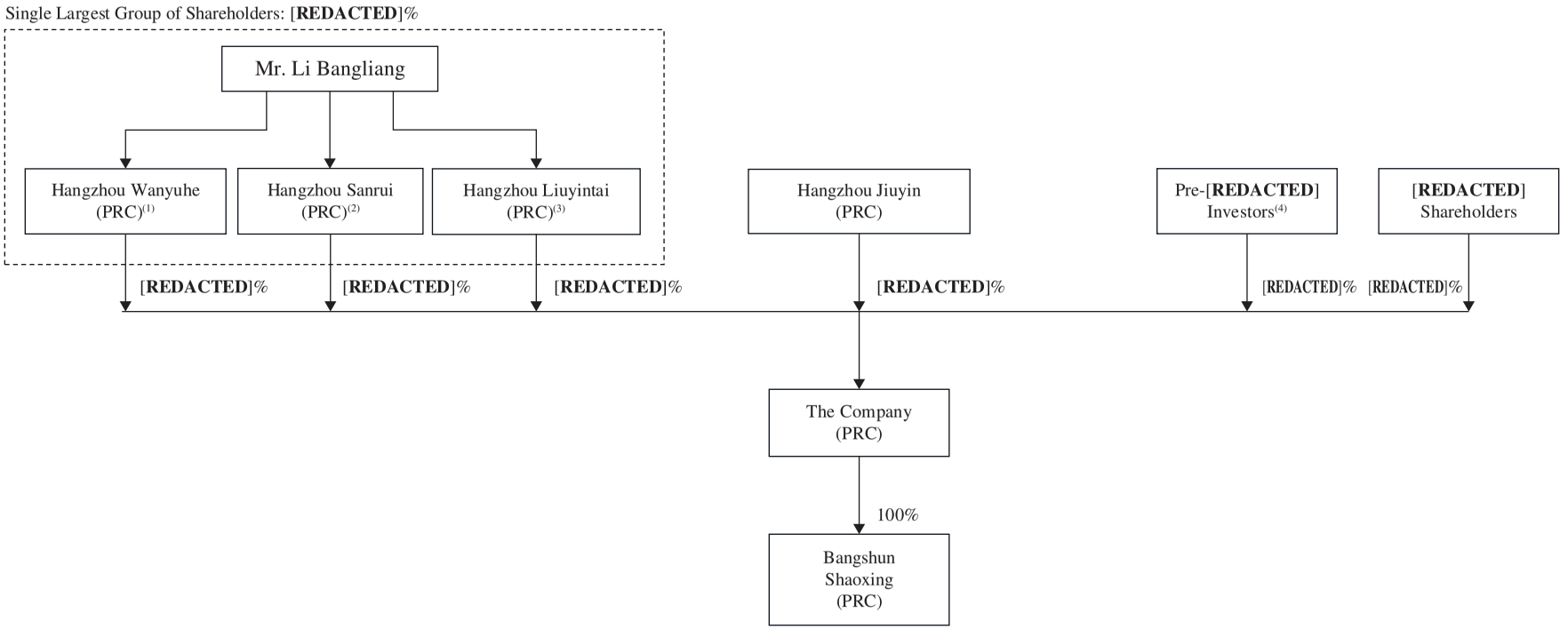
(3) Hangzhou Liuyintai was established in the PRC as the Employee Incentive Platform with Mr. Li Bangliang being its general partner. See "Employee Incentive Platform" in this section.

(4) Hangzhou Jiuyin was established in 2020 as an employee holding platform. Hangzhou Jiuyin held 55% of the Company's then registered capital at the time of the Company's establishment. Part of such equity interests was intended for future employee incentive purpose and was transferred to Hangzhou Liuyintai at nil consideration. As of the Latest Practicable Date, all shareholders of Hangzhou Jiuyin were current or former employees of the Company. Dr. Lyu Yubin (吕裕斌), Mr. Li Yuedong (李閱東), Ms. Lu Jian (盧建), Dr. Zheng Mei (鄭鵬), Ms. Qing Yali (卿亞麗) each held 67.16%, 3.61%, 3.19%, 1.28% and 1.28% of the registered capital in Hangzhou Jiuyin, respectively. For details regarding the positions held by Dr. Lyu Yubin (吕裕斌), Mr. Li Yuedong (李閱東), Ms. Lu Jian (盧建) and Dr. Zheng Mei (鄭鵬) in the Company and their respective biographical information, see "Directors and Senior Management". No other Directors or senior management personnel of the Company were shareholders of Hangzhou Jiuyin.

(5) For details on the Pre-[**REDACTED**] Investors, see "Summary of Pre-[**REDACTED**] Investments", "Capitalization of the Company" and "Information about our Pre-[**REDACTED**] Investors" in this section.

Corporate Structure Immediately Following Completion of the [REDACTED]

The following chart illustrates the shareholding structure and simplified corporate structure of the Group immediately following the completion of the [**REDACTED**] and conversion of the Domestic Shares into H Shares (assuming the [**REDACTED**] is not exercised):



(1)-(4) Please see the details contained in the preceding pages.

OVERVIEW

Who We Are

We are a commercial-stage biotechnology company focused on oncology and autoimmune diseases, dedicated to translating scientific discoveries into innovative and accessible therapies for patients. Harnessing innovation as our edge and commercialization as our engine, we aim to become a sustainable and fully integrated biopharmaceutical company with end-to-end life-cycle capabilities, transforming scientific advances into meaningful patient benefits. Within these therapeutic areas, we strategically focus on developing oral small-molecule drug candidates targeting a broader and differentiated scope of indications than our competitors to address significant prevalence in hematologic malignancies and autoimmune diseases. Enabled by our highly selective small-molecule drug discovery platform and our molecular glue discovery platform, we have established a pipeline that includes an NMPA-approved drug candidate (bezacitinib), one registrational clinical stage candidate (CX1440), and five preclinical stage candidates (CX03, CX12, CX13, CX15 and CX16).

According to Frost & Sullivan, as of the Latest Practicable Date, our Core Product, bezacitinib, is one of the first three domestically developed JAK inhibitors to have been approved in China for the treatment of myelofibrosis (MF). In terms of clinical progress, bezacitinib ranks as the first JAK inhibitor in China for polycythemia vera (PV), and the first globally for essential thrombocythemia (ET). Our another Core Product, CX1440, is one of the first three BTK inhibitors in terms of clinical progress for immune thrombocytopenia (ITP) and one of the first two BTK inhibitors globally in terms of clinical progress for each of chronic urticaria (CU) and autoimmune hemolytic anemia (AIHA).

Our R&D Strategy

Differentiated Molecular R&D Strategy

Leveraging our deep understanding of disease biology and competitive landscapes, we proactively avoid areas where we lack clear differentiation or where competition has become highly crowded, and instead focus on targeted indications with significant unmet clinical needs where the intrinsic characteristics of our molecules can deliver meaningful therapeutic advantages. To maximize value of our molecules, we pursue a multi-indication development approach. Through this strategically planned indication expansion pathway, we enhance both the probability of development success and the commercial potential of our pipeline assets.

Our Core Product, bezacitinib, primarily targets myeloproliferative neoplasms (MPNs), including MF, PV and ET, positioned as the JAK inhibitor with multiple indication coverage and the development progress ahead of the industry average in MPNs. According to Frost & Sullivan, the global market size for MPNs is forecasted to expand continuously, which is projected to reach USD12.5 billion in 2030, with a CAGR of 7.5% from 2025 to 2030, and further reach USD19.2 billion in 2035, representing a CAGR of 9.0% from 2030 to 2035. This reflects a sizeable market opportunity with a favorable competitive landscape.

In parallel, our another Core Product, CX1440, is primarily focused on autoimmune diseases, allowing us to avoid the more intensive competition of BTK inhibitors in oncology space. Although multiple BTK inhibitors have been approved globally and six have been approved in China, including ibrutinib, their approved indications are currently concentrated in oncology, rather than in autoimmune diseases. We believe this indication selection strategy positions CX1440 to address significant unmet clinical needs in autoimmune diseases within a relatively moderate competitive environment.

Balanced Portfolio-Building Strategy

To establish a balanced portfolio, we focus on certainty while actively exploring new opportunities. At the early stage of development of our Company's drug candidates, we prioritize programs based on validated targets with well-defined translational pathways, primarily through iterative innovation of molecular structure design. This approach reduces development risk inherent to innovative drugs, enabling us to build integrated drug development capabilities. It also allows a more efficient path from early discovery toward commercialization, thereby providing us with a solid financial foundation for future development. These programs include our Core Products, bezacitinib and CX1440.

At the same time, we continue to cultivate programs based on targets with global mechanisms of action that require further clinical validation. By closely monitoring scientific advances, and through rigorous scientific evaluation and disciplined decision making, we discover and advance drug candidates with high potential and manageable risk profiles. These programs are designed to build a sustainable pipeline with long term value. For example, leveraging our molecular glue discovery platform, we have successfully developed CX15, a covalent allosteric molecular glue that combines covalent modification with allosteric regulation to achieve selective degradation of target proteins, as well as CX16, which induces CRBN to recognize neosubstrate and expands the mechanistic scope of molecular glue mediated protein degradation. Through this balanced development strategy, we aim to manage risk and return, align near term return with long term innovation, and balance the probability of success with the breadth of innovation.

Our Platform

We have established two in-house drug discovery platforms: a highly selective small-molecule drug discovery platform and a molecular glue drug discovery platform. Together, these platforms form the cornerstone of our drug R&D capabilities and have enabled the design and optimization of our pipeline assets with demonstrated clinical and commercial potential.

Our small-molecule drug discovery platform, anchored in AI-enabled structure-based drug design (SBDD), integrates deep structural biology insights with advanced medicinal chemistry experience to systematically enhance target selectivity and de-risk early-stage development. The platform has successfully generated multiple candidates with high target selectivity and favorable safety profiles, including bezacitinib and CX1440. These outcomes highlight the platform's strengths in rational molecular design, integrated multi-parameter optimization, and early mitigation of off-target risks.

Our molecular glue drug discovery platform, guided by a forward-looking target assessment framework and a chemistry-first, mechanism-driven rational design philosophy, integrates ternary-complex–based rational molecule design, off-target risk prediction, and systematic optimization of the drug-like properties of degraders. Leveraging these capabilities, the platform has achieved key breakthroughs in the rational design of molecular glues with novel mechanisms of action, and has successfully advanced candidates such as CX15 and CX16 into preclinical translational development, each representing a distinct new mode of action. This progress validates the platform's capability to translate first-in-mechanism concepts into rapid advancement, and underscores our differentiated positioning in this emerging field.

Experienced and Diversified R&D Team and Development Capabilities across Stages

Our R&D team is composed of highly experienced scientists with deep expertise across drug discovery, preclinical evaluation, clinical development, quality management, pharmacovigilance, and medical affairs. The team brings over 20 years of cumulative R&D experience. As of the Latest Practicable Date, our R&D team comprised 72 personnel, the majority of whom hold master's degrees or above in disciplines such as biology, chemistry, pharmacology, or medicine. Key R&D leaders have previously held positions at multinational pharmaceutical companies and major domestic pharmaceutical enterprises, accumulating extensive experience across the entire drug development value chain.

We have established a systematic and integrated R&D management framework that covers the full spectrum of drug development activities, from early-stage research and proof-of-concept, through process development and preclinical studies, to clinical trials. We believe that our holistic R&D capabilities enable the continuous translation of scientific research into clinical applications and provides a sustainable engine for long-term innovation and value creation.

Experienced Commercialization Team

We have built an experienced commercialization leadership team with deep industry knowledge and proven execution capabilities. Our Chairman, Mr. Li Bangliang, and our Head of Sales, Mr. Li Yuedong, have both deeply engaged in the pharmaceutical industry for many years and possess extensive sales and commercialization experience. Both of them played key roles in the development of Huadong Medicine Co., Ltd.'s prescription drug commercialization platform.

We are proactively building our commercialization capabilities to support the future launch of our pipeline products, with an initial focus on bezacitinib. We have initiated key preparatory activities, including pharmacoeconomic evaluation, pricing and reimbursement planning, and planning for inclusion in clinical practice guidelines, alongside early academic engagement with key opinion leaders to enhance market readiness. We plan to progressively expand our in-house commercial team and sales network, with a commercialization strategy centered on securing access to leading tertiary hospitals nationwide. This phased approach is designed to enable efficient market entry, strengthen engagement with frontline clinicians, and support post-launch sales and marketing.

Our Pipeline

The table below summarizes the development status of our drug candidates as of the Latest Practicable Date.

Compound	R&D Model	Target	Indication	Line(s) of Treatment	Regimen	Route of Administration	Preclinical	IND	Phase I	Phase II	Phase III	NDA	Approval	Achieved or Upcoming Milestones	Commercial Rights
Bezacitinib (OB756)★	Acquired[1]	JAK2	MF	1L	Mono	Oral	Approved by the NMPA in China							Received NDA approval from the NMPA in April 2026	Global
			PV	2L	Mono	Oral	China (NMPA)							Phase III clinical trial completed in May 2026; expect to submit the NDA in Q3 2026	
			ET	2L	Mono	Oral	China (NMPA)							EOP1 meeting with the CDE in January 2022; expect to initiate the Phase III clinical trial in Q4 2026	
			GVHD	2L	Mono	Oral	China (NMPA)[2]							Received IND approval in October 2021; expect to initiate Phase II clinical trial in Q2 2027	
			Selected autoimmune indications	2L	Mono	Oral	China (NMPA)[2]							To be determined	
CX1440★	Acquired[1]	BTK	ITP	2L	Mono	Oral	China (NMPA)							EOP2 meeting with the CDE in June 2024; expect to submit the NDA in Q4 2027	Global
			CU	2L	Mono	Oral	China (NMPA)[2]							Received IND approval in September 2022; expect to complete Phase II in Q4 2026	
			AIHA	2L	Mono	Oral	China (NMPA)[2]							Received IND approval in August 2025; expect to initiate Phase Ib/II clinical trial in Q3 2026	
			cGVHD	2L	Mono	Oral	China (NMPA)[2]							Received IND approval in August 2022; expect to initiate Phase Ib/II clinical trial in Q2 2027	
			Selected autoimmune indications	2L	Mono	Oral	China (NMPA)[2]							To be determined	
CX03	Self-developed	PIM1	MF	/	Combo	Oral								Expect to submit IND in Q4 2027	Global
CX12	Self-developed	METTL3	Solid tumors	/	Mono/ combo	Oral								Expect to submit IND in Q4 2027	Global
CX13	Self-developed	PPARG	Solid tumors	/	Mono	Oral								Expect to submit IND in Q3 2027	Global
CX15 (Molecular Glue)	Self-developed	KEAP1	Solid tumors	/	Mono/ combo	Oral								Expect to submit IND in Q3 2027	Global
CX16 (Molecular Glue)	Self-developed	VAV1	RA, IBD, MS	/	Mono	Oral		[3]						Expect to submit IND in Q1 2027	Global

★ Core Product

Pipeline in Tumor

Pipeline in Autoimmune Diseases

Abbreviations: MF refers to myelofibrosis; PV refers to polycythemia vera; ET refers to essential thrombocythemia; GVHD refers to graft-versus-host disease; ITP refers to immune thrombocytopenia; CU refers to chronic urticaria; AIHA refers to autoimmune hemolytic anemia; cGVHD refers to chronic graft-versus-host disease; RA refers to rheumatoid arthritis; IBD refers to inflammatory bowel disease; MS refers to multiple sclerosis; mono refers to monotherapy; combo refers to combination therapy; IND refers to Investigational New Drug application; NDA refers to New Drug Application; NMPA refers to National Medical Products Administration of China; Q2 refers to the second quarter of the year indicated; Q3 refers to the third quarter of the year indicated; Q4 refers to the fourth quarter of the year indicated.

Notes:

1 The discovery of bezacitinib and CX1440 was led by Dr. Lyu Yubin, currently our executive Director and general manager and Dr. Yin Jianming, currently our Chief Scientific Officer during their respective tenures at the Research Institute and Aojin Bio. Dr. Lyu Yubin served as director and general manager of the Research Institute from 2009 to 2020. Aojin Bio was wholly owned by Dr. Yin Jianming and has ceased all substantive operating activities since 2020 following Dr. Yin's joining our Company. Other key R&D team members involved in the discovery and preclinical development of our Core Products are also currently with our Company. For details of the transfer history of technology and data, see "Business — Intellectual Property."

2 For bezacitinib and CX1440, the Phase I clinical trials in healthy adult volunteers were completed in January 2020 and March 2022, respectively. The safety, tolerability and pharmacokinetic data generated from the respective completed Phase I trials have been leveraged to support subsequent patient clinical trials for the relevant indications. Accordingly, the relevant patient studies for bezacitinib in GVHD and other selected autoimmune indications commenced, or are expected to commence, directly from Phase Ib/II dose-escalation and dose-expansion studies, without conducting a separate Phase I healthy volunteer study for each such indication. Similarly, the relevant patient studies for CX1440 in CU, AIHA, cGVHD and other selected autoimmune indications commenced, or are expected to commence, directly from Phase Ib/II dose-escalation and dose-expansion studies, without conducting a separate Phase I healthy volunteer study for each such indication. Such clinical development arrangements are based on the completed Phase I data, the proposed patient clinical trial protocols and the relevant IND approvals from the NMPA, and are subject to compliance with applicable PRC regulatory requirements, including communications with the CDE before commencing registrational studies, where applicable.

3 CX16 is currently undergoing IND-enabling studies. As of the Latest Practicable Date, we had not submitted an IND application for CX16. We expect to submit the IND application for CX16 in the first quarter of 2027.

Bezacitinib (Core Product)

Bezacitinib, our Core Product, is a selective JAK2 inhibitor for the treatment of myeloproliferative neoplasms (MPNs), with broader indication coverage than existing therapies and clinical progress ahead of the industry average. It is one of the first three domestically developed JAK inhibitors approved for MF in China. In terms of clinical progress, bezacitinib ranks as the first JAK inhibitor in China for PV, and the first JAK inhibitor globally for ET, underscoring its therapeutic potential and ability to address the needs of approximately 553.9 thousand patients with MPNs in China. According to Frost & Sullivan, the China MPN drug market reached USD1.0 billion in 2025 and is expected to increase to USD1.5 billion in 2030.

While most JAK inhibitors target autoimmune diseases, we have focused on developing bezacitinib for MPNs, where clinical needs remain significant and treatment options are limited. Our clinical trials in MF, PV, and ET have shown bezacitinib's favorable efficacy and safety, supporting its competitive profile among JAK inhibitors. Since our inception, we have been devoted to facilitating the clinical development of bezacitinib for MF, PV and ET as well as the IND application for GVHD, systemic lupus erythematosus (SLE) and ulcerative colitis (UC). Specifically, we have finished the Phase Ib/II and Phase II/III clinical trials for MF in May 2021 and November 2023, respectively. In August 2024, we submitted our first NDA to the CDE for the treatment of MF, and received NDA approval in April 2026. We completed the Phase Ib/II trial for PV in June 2023 and completed the Phase III clinical trial in May 2026, respectively. We also initiated the Phase Ib/II clinical trial for ET in November 2020. As of the Latest Practicable Date, we are communicating with the regulatory authorities as to the clinical trial designs for the Phase III registrational study for ET. We obtained IND approvals for SLE and GVHD in January 2022 and October 2021, respectively. Beyond MPNs, bezacitinib may have further development potential in other diseases driven by aberrant activation of the JAK-STAT signaling pathway, including indications with significant unmet medical needs such as GVHD. For further details about our clinical development plan for bezacitinib, see "Our Pipeline — Bezacitinib, our Core Product — Clinical Development Plan."

CX1440 (Core Product)

CX1440, our Core Product, is a Phase III-stage BTK inhibitor. It is one of the first three BTK inhibitors globally in terms of clinical progress for ITP and one of the first two BTK inhibitors globally in terms of clinical progress for each of CU and AIHA. In 2025, the prevalence of ITP has reached 216.4 thousand in China, while the ITP drug market is projected to grow from approximately USD0.9 billion in 2025 to approximately USD3.6 billion in 2035, alongside expansion of the CU drug market from approximately USD3.0 billion to approximately USD10.9 billion and the AIHA drug market from approximately USD164.5 million to approximately USD339.8 million over the same period.

CX1440 is an orally administered, highly selective and potent BTK inhibitor primarily developed for the treatment of autoimmune diseases. BTK inhibitors are small molecule compounds that covalently bind to BTK, thereby inhibiting its activity, and have been used in the treatment of B-cell lymphoma as well as B-cell mediated autoimmune diseases.

While many marketed and late clinical stage BTK inhibitors have focused on their development for B cell lymphoma, we have strategically prioritized the development of CX1440 in autoimmune diseases, based on its molecular characteristics and differentiated selectivity profile. To date, we have initiated clinical studies of CX1440 across four autoimmune diseases, with development programs in ITP, CU and AIHA ranking ahead of the average. Since our inception, we have been devoted to facilitating the clinical development of CX1440. We initiated the Phase III clinical trial of CX1440 for ITP in September 2025, and we expect to submit an NDA for this indication in the fourth quarter of 2027. We initiated the Phase Ib/II clinical trial for CU in September 2025 and plan to initiate Phase Ib/II clinical trial for AIHA in the third quarter of 2026, respectively. We obtained the IND approvals for MS, GVHD and SLE in October 2021, August 2022, and November 2022. For further details about our clinical development plan for CX1440, see "Our Pipeline — CX1440, our Core Product — Clinical Development Plan."

Other Drug Candidates

In addition, our current pipeline includes selected preclinical assets, including CX03, CX12, CX13, CX15 and CX16:

- CX03 is a highly selective PIM1 inhibitor intended for use in combination with bezacitinib to treat MF and other hematologic malignancies characterized by resistance to JAK2 inhibitors. Preclinical studies have shown that combining CX03 with bezacitinib significantly prolongs survival compared with bezacitinib monotherapy. CX03 is currently being evaluated in preclinical studies, and we plan to submit IND in the fourth quarter of 2027.

- CX12 is a METTL3 inhibitor that has demonstrated antitumor activity in animal models when combined with PD-1 inhibitors. It is being developed as a combination therapy with PD-1 inhibitors for patients with locally advanced unresectable or metastatic solid tumors who have progressed on anti-PD-1/L1 monotherapy or anti-PD-1/L1 drug plus chemotherapy. CX12 is currently being evaluated in preclinical studies, and we plan to submit IND in the fourth quarter of 2027.

- CX13 is a highly active PPARG inverse agonist designed to target aberrant PPARG activation in advanced urothelial carcinoma. In preclinical studies, CX13 has shown strong antitumor activity in relevant tumor models. We plan to submit IND in the third quarter of 2027.

- CX15 is a covalent allosteric molecular glue degrader targeting KEAP1, intended for the treatment of solid tumors with constitutive NRF2 activation. CX15 has demonstrated antitumor effects in preclinical tumor models, supporting its therapeutic potential for solid tumors harboring KEAP1/NRF2-driven pathogenic mutations. CX15 is currently being evaluated in preclinical studies, and we plan to advance submit IND in the third quarter of 2027.

- CX16 is a selective molecular glue degrader of VAV1 being developed for the treatment of autoimmune and inflammatory diseases. CX16 has exhibited target selectivity, degradation activity, and favorable pharmacokinetic properties in multiple preclinical autoimmune disease models. Based on its multifaceted mechanism of action and strong *in vitro* and *in vivo* activity and safety profile, CX16 has broad therapeutic potential across a range of autoimmune and inflammatory disorders. A candidate compound has been selected, and we expect to submit an IND application to the CDE in the first quarter of 2027.

OUR STRENGTHS

Diversified Drug Candidates Portfolio in Oncology and Autoimmune Diseases Targeting Growing Prevalence, with Multiple Indications at Pivotal or NDA Stages

We are a China-based innovator focused on the discovery and development of oral small-molecule therapeutics, with selective JAK2 and BTK inhibitors at the core of our pipeline. Our candidates address a range of oncology and autoimmune diseases with significant unmet medical needs including MF, PV, ET, ITP, CU, and AIHA.

Our Core Products' target indications represent large and growing markets. In the MPN space, MF had a global prevalence of 994.9 thousand in 2025, expected to reach 1,288.7 thousand by 2035, with the drug market projected to grow from USD3.1 billion in 2025 to USD6.3 billion in 2035; PV had a global prevalence of 2,624.0 thousand in 2025, expected to reach 4,067.8 thousand by 2035, with the drug market projected to grow from USD2.9 billion in 2025 to USD6.5 billion in 2035; and ET had a global prevalence of 2,459.7 thousand in 2025, expected to reach 3,186.0 thousand by

2035, with the drug market projected to grow from USD2.7 billion in 2025 to USD6.0 billion in 2035. The autoimmune disease market also presents significant potential in China: ITP had a prevalence of 216.4 thousand in 2025, expected to reach 223.4 thousand by 2035, with the drug market projected to grow from USD0.9 billion in 2025 to USD3.6 billion in 2035; CU had a prevalence of 39.6 million in 2025, expected to reach 42.2 million by 2035, with the drug market projected to grow from USD3.0 billion in 2025 to USD10.9 billion in 2035; and AIHA had a prevalence of 138.6 thousand in 2025, expected to reach 141.5 thousand by 2035, with the drug market projected to grow from USD164.5 million in 2025 to USD339.8 million in 2035.

According to Frost & Sullivan, as of the Latest Practicable Date, our Core Product, bezacitinib, is one of the first three domestically developed JAK inhibitors to have been approved in China for the treatment of MF. In terms of clinical progress, bezacitinib ranks as the first JAK inhibitor in China for PV, and the first JAK inhibitor globally for ET. Our other Core Product, CX1440, is one of the first three BTK inhibitors globally in terms of clinical progress for ITP and one of the first two BTK inhibitors globally in terms of clinical progress for each of CU and AIHA.

Enabled by our integrated small-molecule discovery engine, we are specialized in rational, mechanism-driven drug design with a strong emphasis on selectivity, safety and translational efficiency, supporting the generation of differentiated candidates and expanding druggability beyond traditional small-molecule approaches. Together, we are capable to capture opportunities in the large and expanding drug market for oncology and autoimmune diseases.

Bezacitinib: A Selective JAK2 Inhibitor with Demonstrated Therapeutic Potential, Clinical Progress ahead of the Industry Average and Multiple Coverage for MPNs

Bezacitinib, one of our Core Products, is a selective JAK2 inhibitor being evaluated in clinical trials for MF, PV, and ET — broader indication coverages for MPNs than other JAK inhibitors approved or under development in China. By comparison, ruxolitinib and other JAK inhibitors approved in China are indicated only for MF.

Differentiated Selectivity and Pharmacokinetic Profile. Bezacitinib demonstrates high JAK2 inhibitory potency with 5 to 55-fold of selectivity for JAK2 over other JAK family kinases, supporting its therapeutic activity with a narrower adverse event profile. Its pharmacokinetic (PK) properties further distinguish it from approved JAK inhibitors: bezacitinib is primarily excreted unchanged via the kidneys and does not undergo CYP metabolism, eliminating CYP-mediated drug-drug interaction (DDI) risks. This is particularly advantageous for elderly patients, patients with comorbidities, and patients on polypharmacy regimens — populations where certain CYP-related DDIs frequently complicate treatment. In contrast, ruxolitinib and other approved JAK inhibitors rely on CYP pathways and carry associated DDI risks when co-administered with CYP substrates, inhibitors, or inducers.

Demonstrated Safety Profile. To date, bezacitinib has shown minimal off-target toxicities in clinical studies. Observed adverse events primarily include anemia and thrombocytopenia, commonly seen in JAK inhibitors. Most treatment-related adverse events were Grade 1/2 and manageable, with no unexpected safety signals observed so far.

Efficacy Observed Across Indications. In the pivotal Phase II/III MF trial, bezacitinib achieved a 24-week SVR35 of 62.8%, with a 48.5% outcome difference between treatment and control group — the largest between-group difference reported for selective JAK2 inhibitors, based on the publicly available data and according to Frost & Sullivan. In the Phase Ib/II PV study, bezacitinib achieved a 24-week CHR of 38.9% and SVR35 of 56.3%. In the Phase Ib/II trial in ET, at week 24, the CHR was 22% based on intention-to-treat analysis. Among evaluable patients, the HR rate reached 65.8%. At week 24, 94.7% of ET patients experienced spleen volume reduction, with 50.0% achieving ≥35% reduction.

Indication Expansion and Combination Potential. Beyond hematologic malignancies, bezacitinib's selective modulation of JAK2-driven cytokine pathways — while preserving JAK1-dependent immune function — provides a mechanistic rationale for expansion into GVHD and other cytokine-mediated inflammatory or autoimmune diseases. Bezacitinib has demonstrated synergistic effects in combination regimens. In combination with PIM inhibitors, it offers a potential option for MF patients who fail standard therapy or are resistant/intolerant to JAK inhibitors. The combination of a BTK inhibitors and bezacitinib can result in markedly enhanced *in vivo* efficacy in GVHD models, demonstrating strong potential in significantly improving survival outcomes and offering benefit for patients resistant to either JAK or BTK monotherapy.

Convenient Dosing and Pharmaceutical Advantages. Bezacitinib requires only 20 mg BID for MF — comparable to ruxolitinib (approximately 20 mg BID) but substantially lower than other JAK-class agents (ranging from 100 to 400 mg BID). This low pill burden supports patient compliance and reduces manufacturing costs.

CX1440: A Highly Selective BTK Inhibitor with a Differentiated Safety Profile and Clinical Progress ahead of the Industry Average for Multiple Autoimmune Diseases

CX1440, one of our Core Products, is a highly selective BTK inhibitor targeting ITP, CU, and AIHA. It is one of the first three BTK inhibitors globally in terms of clinical progress for ITP, and one of the first two BTK inhibitors globally for each of CU and AIHA, according to Frost & Sullivan.

High Selectivity and Potency. CX1440 exhibits potent BTK inhibition with stronger activity against B-cell activation than ibrutinib. Importantly, it demonstrates minimal off-target activity against kinases commonly implicated in BTK inhibitor-related toxicities. In a 217-kinase screening assay, CX1440 at 1 μM showed high BTK selectivity, outperforming ibrutinib.

Favorable Safety Profile. CX1440 demonstrates a low cardiac risk, with its hERG IC_{50} approximately 650 times higher than the estimated unbound C_{max} at the recommended clinical dose. Repeat-dose toxicology studies confirmed a wide safety margin. In clinical studies, common BTK inhibitor-associated adverse events such as diarrhea, nausea, and fatigue were rarely observed with CX1440. No serious adverse reactions or deaths have occurred to date. This favorable profile translated from the high selectivity supports the long-term use of CX1440 across autoimmune diseases.

Clinical Efficacy in ITP. In our Phase Ib/II study of primary ITP, CX1440 demonstrated strong platelet-raising efficacy, comparable to or exceeding the efficacy of peer BTK inhibitors according to their publicly reported data. At the target dose of 100 mg BID, the primary platelet response rate — defined as achieving platelet counts $\geq 50\times10^9$/L in at least four of the last six visits within 24 weeks without rescue therapy — was 41.2%. These durability data indicate that CX1440 may provide sustained long-term platelet control for the treatment of ITP, enabling a large portion of treated patients to achieve sustained platelet stabilization, which may reduce the need for repeated or rescue therapies.

Indication Expansion and Combination Potential. CX1440 has also demonstrated consistent efficacy across multiple autoimmune disease models, including CU, AIHA and cGVHD, positioning it as a versatile therapeutic candidate. For complex autoimmune diseases such as GVHD and SLE, we plan to combine CX1440 with bezacitinib, our JAK2 inhibitor currently at the NDA stage. This combination engages multiple signaling pathways synergistically, offering potential advantages in efficacy compared with single-agent BTK or JAK inhibitors. In preclinical GVHD and SLE models, the combination of CX1440 and bezacitinib demonstrated notable synergistic effects.

Comprehensive Drug Development Engine Built on Our In-house Developed Discovery Platforms and Clinical Capabilities

We have built a comprehensive drug development engine that built on our two in-house developed technology platforms, including our small-molecule drug discovery platform and our molecular glue discovery platform, together with our clinical development capabilities. Together, these capabilities form our R&D engine that enables efficient end-to-end progression from target identification and molecular design to clinical development towards commercialization. This integrated architecture allows us to efficiently advance our drug development process and drive continuous innovation.

Small-molecule Drug Discovery Platform

We have established an integrated highly selective small-molecule drug discovery platform that combines medicinal chemistry expertise, structural biology and AI to enable rational, selectivity-driven molecular design. Anchored by AI-enabled structure-based drug design (SBDD), the platform applies advanced computational methods to prospectively optimize activity, selectivity, pharmacokinetics and safety through multiparametric optimization. A defining advantage of the platform is the precise engineering and rigorous validation of selectivity, which substantially reduces off-target risks of molecules at the earliest stages of discovery. In addition, the deep integration of ADMET prediction into the early design process enables proactive assessment of metabolic stability, toxicity risks and other developability parameters before synthesis, allowing potential developability issues to be identified and mitigated in advance. These capabilities together form a closed-loop design-optimize-validate workflow that simultaneously enhances potency, selectivity and safety, while significantly reducing downstream development risks. Leveraging this platform, we have generated competitive proprietary small-molecule candidates, including bezacitinib and CX1440, demonstrating its robustness and ability to deliver high-quality, highly selective therapeutic agents.

Molecular Glue Discovery Platform

We have established an innovative molecular glue discovery platform to address the fundamental limitations of traditional small molecule drug discovery, particularly the inability to modulate many disease-relevant proteins through conventional inhibition or binding strategies. Molecular glues offer a differentiated solution by inducing proximity-based protein degradation, thereby addressing historically undruggable targets and offering therapeutic mechanisms that are not accessible through traditional modalities. Guided by a forward-looking target assessment framework and a chemistry-first, mechanism-driven rational molecule design philosophy, our platform integrates rational molecule design based on ternary-complex, off-target risk prediction and optimization of the drug-like properties of degraders. Supported by a multidimensional evaluation system covering degradation efficiency, selectivity, pharmacokinetics and safety, this framework transforms molecular glue discovery from serendipity into a predictive and designable process. Leveraging this platform, we have advanced high-potential programs such as CX15, a covalent allosteric molecular glue degrader , and CX16, a CRBN-recruiting degrader now in IND-enabling studies, demonstrating the platform's ability to mechanistic innovation into clinically meaningful therapeutic candidates.

In-house Clinical Development Capabilities

In addition to our discovery platforms, we have established in-house clinical development capabilities with core strengths across four dimensions. First, our translational-medicine-driven clinical strategy substantively integrates target biology, preclinical pharmacology and biomarker research, enabling mechanism-guided indication expansion. For example, our deep understanding of the JAK2-STAT pathway allowed us to strategically design one single Phase Ib/II trial of bezacitinib that supports registrational trials across three MPN indications. Second, our end-to-end clinical management system covers the full development cycle from protocol design through regulatory submission, enabling the fast progression of bezacitinib from ethics approval of its Phase

I trial for MF to completion of patient enrollment of its Phase III trial within approximately two years and ten months, compared with approximately five years for other JAK inhibitors for the same indication. Third, our clinical operations team conducts most key operational activities in-house through a nationwide execution network, maintaining greater flexibility, more efficient trial management and improved cost efficiency compared with heavy reliance on external CROs. Fourth, our pipeline concentration in oncology and autoimmune diseases enables deep therapeutic-area expertise and strong, long-term collaborations with leading clinical centers and principal investigators nationwide, creating a foundation for future commercialization activities including academic promotion and clinical education.

Management Team with Experience in Drug Innovation and Commercialization, Backed by Institutional Investors

We have an experienced management team with a global perspective, combining deep expertise in research and development with proven commercialization capabilities.

Mr. Li Bangliang, our chairman of the Board of Directors, has over five decades of experience in the pharmaceutical industry and corporate management and is a recognized leader in drug commercialization in China. He previously served as the chairman of Huadong Medicine Co., Ltd. (華東醫藥股份有限公司, SZSE: 000963), where he led that company's transformation from a regional enterprise into a nationwide, fully integrated pharmaceutical group. During his tenure, he built a predominantly self-operated national marketing system with a professional sales force of nearly 6,000 people, successfully driving large-scale commercialization of multiple products. Under his leadership, Bailing Capsules (fermented Cordyceps sinensis powder) and Kabopin (acarbose tablets) each grew into multi-billion-RMB blockbuster products. Mr. Li has received numerous honors, including "Best CEO of China's Listed Companies in 2009" (Forbes China), "Top 10 Entrepreneurial Leaders of China's Listed Companies in 2018," and recognition as a "Pharmaceutical Industry Meritorious Figure in 40 Years of Reform and Opening-Up."

Dr. Lyu Yubin, our executive Director and general manager, has over 20 years of healthcare industry experience, combining strong academic credentials with proven R&D leadership and operational management capabilities. He has long been committed to developing and industrializing innovative and high-end generic drugs, with a strong track record of translating R&D achievements into commercial products. As a former director of the Hangzhou Huadong Medicine Group Pharmaceutical Research Institute Co., Ltd. (杭州華東醫藥集團新藥研究院有限公司), Dr. Lyu oversaw development and approval of dozens of innovative and first-generic products across oncology, metabolic diseases, and infectious diseases, with projects supported by major national programs including the "Major New Drug Innovation" initiative (國家科技重大專案「重大新藥創制」). Dr. Lyu led development of mifanertinib maleate tablets, recognized as an important achievement under the national "Major New Drug Innovation" program and approved by the NMPA in October 2025 for first-line treatment of NSCLC. He is a selected talent under Zhejiang Province's "Ten-Thousand Talents Program," and a recipient of the First Prize of Zhejiang Provincial Science and Technology Progress Award (浙江省科學技術進步獎).

Mr. Li Yuedong, our Head of Commercial Operations, has over 30 years of experience in the biopharmaceutical industry, focusing on corporate operations, market strategy, product commercialization, and industry investment. Mr. Li has demonstrated strong leadership across the full commercialization lifecycle from market access to scaled market expansion. He previously served in senior management roles including deputy general manager and general manager, at Huadong Medicine Co., Ltd., where he played a core role in building the company's prescription drug commercialization system. He contributed to the establishment of a nationwide, predominantly self-operated professional marketing network and effectively integrated academic promotion, channel management, and terminal execution resources, significantly enhancing market penetration and sales performance of key products. With deep understanding of reimbursement policy, hospital procurement policy, and competitive market dynamics, Mr. Li successfully drove rapid volume expansion and market share growth for multiple products, achieving steady sales growth even under normalized volume-based procurement and reimbursement negotiations.

Dr. Yin Jianming, our Chief Scientific Officer, brings more than 25 years of world-class new drug R&D experience. Dr. Yin previously served at PharmaMar S.A., a renowned Spanish biopharmaceutical company, where he deeply participated in the global development of multiple innovative oncology drugs. He led or played a pivotal role in advancing several candidates to FDA and EMA clinical approvals. Three compounds he contributed to, Yondelis® (trabectedin), Zepzelca™ (lurbinectedin), and Aplidin® (plitidepsin), have been approved in the United States, the European Union, and multiple other jurisdictions. Dr. Yin is a member of the American Association for Cancer Research (AACR) and of the American Diabetes Association® (ADA). Dr. Yin also served as Principal Investigator leading key national projects under the Ministry of Science and Technology and the National Health Commission, including major projects of the 12th Five-Year Plan under the "Major New Drug Innovation" program. Dr. Yin is the inventor of 18 granted foreign patents and 14 granted Chinese patents. Under his leadership, mifanertinib maleate tablet, of which he is the inventor of the compound patent, has received the marketing approval from the NMPA.

Our R&D team demonstrates strong capabilities across the drug R&D cycle — from disease mechanism research and target validation through lead optimization, preclinical evaluation, CMC, clinical development, and regulatory filing. Our commercial team brings drug commercialization expertise and experience, and sales channel management capabilities from leading pharmaceutical enterprises.

Backed by the global commercial potential of our platform and pipeline, we have raised approximately RMB800 million from the Series A round to date. Our investors include well-known institutional and strategic investors such as SCGC, Puhua Capital (普華資本), Delta Capital (達泰資本), Soochow Innovation Capital (東吳創新資本), Westlake Innovation Investment (西湖創新投資), Huarui Investment (華睿投資), Huiding Investment (匯鼎投資), Binhai Industry Fund (濱海產業基金), and Yuhang State-owned Capital (餘杭國投), among others. We have established long-term, value creation-oriented partnerships with our investors, who not only provide funding but also contribute strategic resources to accelerate our development. The synergy of talent and capital lays a solid foundation for our continued innovation, sustainable growth, and long-term value creation for shareholders.

OUR STRATEGIES

Continue to Advance the Clinical Development and Commercialization of Our Core Products across Multiple Hematologic Malignancies and Autoimmune Diseases

We are committed to advancing the clinical development and regulatory approvals of our Core Products bezacitinib and CX1440. We adopt a systematic clinical development strategy that begins with generating clear mechanistic evidence at an early stage and progressively expands into additional indications at later stages. We expect to obtain regulatory approvals and commercialize our Core Products for most of the intended indications in hematologic oncology and autoimmune areas, such as PV, ET, ITP and CU, over the next five years.

For bezacitinib, we submitted the NDA for MF in August 2024 and received NDA approval in April 2026. For PV, we completed the Phase III clinical trial in May 2026 and expect to submit an NDA to the NMPA in the third quarter of 2026. For ET, we plan to initiate the Phase III clinical trial in the fourth quarter of 2026. For CX1440, we commenced the Phase III clinical trial for ITP in September 2025 and expect to file the NDA in the fourth quarter of 2027; we initiated the Phase I/II clinical trial for CU in September 2025 and expect to complete this trial in the fourth quarter of 2026; and we expect to initiate the Phase Ib/II clinical trial for AIHA in the third quarter of 2026.

Beyond our Core Products, we are also advancing other drug candidates into clinical development. For example, we expect to submit an IND application for CX16 in the first quarter of 2027. We believe continuous progress across our broader pipeline will not only further strengthen our R&D foundation but also enhance the long-term growth of our business portfolio.

Enrich Our Differentiated Pipeline in Oncology and Autoimmune Diseases

We are committed to building and expanding a differentiated portfolio to address major disease burdens and unmet medical needs in oncology and autoimmune diseases, with growth strategy operating along three dimensions. First, we pursue multi-indication development by conducting MoA-driven preclinical studies to explore indication expansion potential based on broad biological relevance, as demonstrated by our ongoing clinical trials across multiple indications for both bezacitinib and CX1440. Second, we systematically develop combination therapies by investigating disease mechanisms and resistance pathways. For example, we are exploring the combination of bezacitinib and CX1440 in animal models for complex autoimmune diseases such as SLE and GVHD, while also developing CX03, a PIM1 inhibitor, for combination with bezacitinib to establish a comprehensive disease-management strategy. Third, we drive continuous innovation through our drug discovery platforms by leveraging database-driven bioinformatics analysis to explore new pathogenic genes and resistance mechanisms, advancing candidates such as CX12 and CX13 for solid tumors addressing immune-resistance and driver mutation mechanisms, and pioneering molecular glue therapies targeting traditionally "undruggable" pathways, with CX16 progressing into IND-enabling studies.

To support these efforts, we plan to further strengthen our technology platforms to optimize efficiencies across the drug development activities and to expand our R&D team by recruiting top talents across multidisciplinary fields, enhancing our capabilities from drug discovery through clinical development.

Establish Our Own Commercial Team and Nationwide Sales Network, and Build GMP-Compliant Manufacturing Facilities

We have established a core commercial team to facilitate the commercialization of our drug candidates upon their approvals. In 2026, we plan to expand this team to several dozen professionals focused on critical preparatory work ahead of bezacitinib's commercialization, including (i) planning inclusion in clinical practice guidelines, (ii) conducting pharmacoeconomic assessments, (iii) supporting pricing and reimbursement strategies such as securing inclusion in NRDL negotiations, and (iv) building an academic promotion network anchored by key opinion leaders and supported by early medical-affairs engagement. Over the next three years, we plan to further scale the team to several hundred personnel, with a market coverage strategy focused on securing access to the top 300 hospitals nationwide to ensure efficient and high-quality commercialization following product launch.

To support the clinical development and commercialization of our pipeline, we are also building in-house manufacturing capabilities to complement our existing CMO and CDMO partnerships. We have acquired a parcel of land of near 33,000 sq.m. in the Binhai New Area of Shaoxing, Zhejiang Province and commenced construction in October 2024 of GMP-compliant formulation manufacturing facilities with a planned gross floor area of approximately 50,000 sq.m. This project will include three modern manufacturing workshops, warehousing facilities and comprehensive supporting infrastructure. The establishment of the Shaoxing manufacturing base will significantly enhance our supply chain controllability, ensuring that our Core Products meet the stringent requirements of regulatory authorities across clinical development, regulatory submission and commercial supply.

Seek Strategic Collaboration with Large Pharmaceutical Companies

We are developing a scalable and efficient global development and partnering framework to maximize product value while prudently managing development, regulatory and execution risks. Leveraging our business development capabilities, we plan to establish long-term collaborations with leading global pharmaceutical companies, allowing us to share development, marketing and distribution costs while benefiting from their expertise and established networks.

For our Core Products, we plan to out-license ex-China rights (including but not limited to the U.S., Europe, Asia-Pacific, Southeast Asia, the Middle East and Russia) to partners with overseas clinical development and commercialization capabilities, supplementing our funding and accelerating global market access. As of the Latest Practicable Date, we had not entered into any definitive agreement for the out-licensing of the ex-China rights of our Core Products, nor had we identified any overseas partner or developed any concrete timeline, milestone or licensing structure in this regard. For key preclinical assets with high potential, such as CX15 and CX16, we plan to pursue strategic collaborations with multinational pharmaceutical or leading biotechnology companies through co-development, co-commercialization or out-licensing arrangements, enabling the sharing of resources, capabilities and development risks while establishing a foundation for broader commercialization cooperation as these candidates progress toward later-stage development.

Attract, Develop and Retain Top Talents through a People-Centric Culture to Ensure Sustainable Long-Term Growth

Talent is critical to our business success. We are committed to fostering a people-centric ecosystem that attracts, develops and retains top talents. We seek partners instead of recruiting employees, looking for those who share our mission, empowering and incentivizing them to jointly address the most challenging medical needs in oncology and autoimmune diseases while sharing the rewards of success. We have implemented systematic training programs, performance-based reward mechanisms and long-term equity-based incentive plans to cultivate a culture of excellence and dedication. We continue to expand teams across early-stage R&D, clinical development, commercialization and corporate functions to support pipeline advancement and expansion, as well as commercialization, aiming to ensure our sustained growth.

OUR PIPELINE

As of the Latest Practicable Date, we had self-developed a pipeline comprised of seven small-molecule drug candidates, with a therapeutic focus on hematologic malignancies and autoimmune diseases. Our drug candidates comprise (i) one candidate receiving NDA approval from NMPA, namely bezacitinib, our Core Product, a selective JAK2 inhibitor; (ii) one clinical state candidate, namely CX1440, our Core Product, a second-generation, highly selective BTK inhibitor; and (iii) five selected preclinical candidates, including CX03, CX12, CX13, CX15, and CX16. The pipeline chart below summarizes the development status of our drug candidates as of the Latest Practicable Date:

Compound	R&D Model	Target	Indication	Line(s) of Treatment	Regimen	Route of Administration	Preclinical	IND	Phase I	Phase II	Phase III	NDA	Approval	Achieved or Upcoming Milestones	Commercial Rights
Bezacitinib (OB756)★	Acquired[1]	JAK2	MF	1L	Mono	Oral	Approved by the NMPA in China							Received NDA approval from the NMPA in April 2026	Global
			PV	2L	Mono	Oral	China (NMPA)							Phase III clinical trial completed in May 2026; expect to submit the NDA in Q3 2026	
			ET	2L	Mono	Oral	China (NMPA)							EOP1 meeting with the CDE in January 2022; expect to initiate the Phase III clinical trial in Q4 2026	
			GVHD	2L	Mono	Oral	China (NMPA)[2]							Received IND approval in October 2021; expect to initiate Phase II clinical trial in Q2 2027	
			Selected autoimmune indications	2L	Mono	Oral	China (NMPA)[2]							To be determined	
CX1440★	Acquired[1]	BTK	ITP	2L	Mono	Oral	China (NMPA)							EOP2 meeting with the CDE in June 2024; expect to submit the NDA in Q4 2027	Global
			CU	2L	Mono	Oral	China (NMPA)[2]							Received IND approval in September 2022; expect to complete Phase II in Q4 2026	
			AIHA	2L	Mono	Oral	China (NMPA)[2]							Received IND approval in August 2025; expect to initiate Phase Ib/II clinical trial in Q3 2026	
			cGVHD	2L	Mono	Oral	China (NMPA)[2]							Received IND approval in August 2022; expect to initiate Phase Ib/II clinical trial in Q2 2027	
			Selected autoimmune indications	2L	Mono	Oral	China (NMPA)[2]							To be determined	
CX03	Self-developed	PIM1	MF	/	Combo	Oral								Expect to submit IND in Q4 2027	Global
CX12	Self-developed	METTL3	Solid tumors	/	Mono/ combo	Oral								Expect to submit IND in Q4 2027	Global
CX13	Self-developed	PPARG	Solid tumors	/	Mono	Oral								Expect to submit IND in Q3 2027	Global
CX15 (Molecular Glue)	Self-developed	KEAP1	Solid tumors	/	Mono/ combo	Oral								Expect to submit IND in Q3 2027	Global
CX16 (Molecular Glue)	Self-developed	VAV1	RA, IBD, MS	/	Mono	Oral	[3]							Expect to submit IND in Q1 2027	Global

★ Core Product

Pipeline in Tumor

Pipeline in Autoimmune Diseases

Abbreviations: MF refers to myelofibrosis; PV refers to polycythemia vera; ET refers to essential thrombocythemia; GVHD refers to graft-versus-host disease; ITP refers to immune thrombocytopenia; CU refers to chronic urticaria; AIHA refers to autoimmune hemolytic anemia; cGVHD refers to chronic graft-versus-host disease; RA refers to rheumatoid arthritis; IBD refers to inflammatory bowel disease; MS refers to multiple sclerosis; mono refers to monotherapy; combo refers to combination therapy; IND refers to Investigational New Drug application; NDA refers to New Drug Application; NMPA refers to National Medical Products Administration of China; Q2 refers to the second quarter of the year indicated; Q3 refers to the third quarter of the year indicated; Q4 refers to the fourth quarter of the year indicated.

Notes:

1 The discovery of bezacitinib and CX1440 was led by Dr. Lyu Yubin, currently our executive Director and general manager and Dr. Yin Jianming, currently our Chief Scientific Officer during their respective tenures at the Research Institute and Aojin Bio. Dr. Lyu Yubin served as director and general manager of the Research Institute from 2009 to 2020. Aojin Bio was wholly owned by Dr. Yin Jianming and has ceased all substantive operating activities since 2020 following Dr. Yin's joining our Company. Other key R&D team members involved in the discovery and preclinical development of our Core Products are also currently with our Company. For details of the transfer history of technology and data, see "Business — Intellectual Property."

2 For bezacitinib and CX1440, the Phase I clinical trials in healthy adult volunteers were completed in January 2020 and March 2022, respectively. The safety, tolerability and pharmacokinetic data generated from the respective completed Phase I trials have been leveraged to support subsequent patient clinical trials for the relevant indications. Accordingly, the relevant patient studies for bezacitinib in GVHD and other selected autoimmune indications commenced, or are expected to commence, directly from Phase Ib/II dose-escalation and dose-expansion studies, without conducting a separate Phase I healthy volunteer study for each such indication. Similarly, the relevant patient studies for CX1440 in CU, AIHA, cGVHD and other selected autoimmune indications commenced, or are expected to commence, directly from Phase Ib/II dose-escalation and dose-expansion studies, without conducting a separate Phase I healthy volunteer study for each such indication. Such clinical development arrangements are based on the completed Phase I data, the proposed patient clinical trial protocols and the relevant IND approvals from the NMPA, and are subject to compliance with applicable PRC regulatory requirements, including communications with the CDE before commencing registrational studies, where applicable.

3 CX16 is currently undergoing IND-enabling studies. As of the Latest Practicable Date, we had not submitted an IND application for CX16. We expect to submit the IND application for CX16 in the first quarter of 2027.

Bezacitinib, our Core Product

Overview

Bezacitinib, our Core Product, is a selective JAK2 inhibitor for the treatment of myeloproliferative neoplasms (MPNs), including MF, PV, and ET, and GVHD. Bezacitinib is designed to provide enhanced selectivity for JAK2 over JAK1, JAK3 and TYK2, thereby reducing off-target inhibition of other JAK family members and minimizing treatment-related toxicities. Clinical data suggest that this high-selectivity profile is associated with an improved cardiovascular safety profile, including a lower incidence of thrombotic events, and reduced non-selective toxicities.

Bezacitinib has shown promising efficacy and safety outcomes across clinical trials in patients with MF, PV and ET. In the Phase II/III MF study, approximately 62.8% of patients treated with bezacitinib achieved a ≥35% reduction in spleen volume (SVR35), compared with 14.3% in the control arm of hydroxyurea-treated patients, demonstrating a treatment difference of nearly 48.5% with durable symptom improvement and a favorable hematologic safety profile. For the treatment of PV, bezacitinib achieved 100% hematocrit control in 18 patients in our Phase Ib/II trial, with 38.9% complete hematologic response (CHR) and 56.3% of patients achieving SVR35. For the treatment of ET, the CHR was 22% at week 24, based on intention-to-treat analysis. Among evaluable patients, the HR rate reached 65.8% at week 24. At week 24, 94.7% of patients experienced spleen volume reduction, with 50.0% achieving SVR35. Across these studies, bezacitinib demonstrated a favorable cardiovascular safety profile.

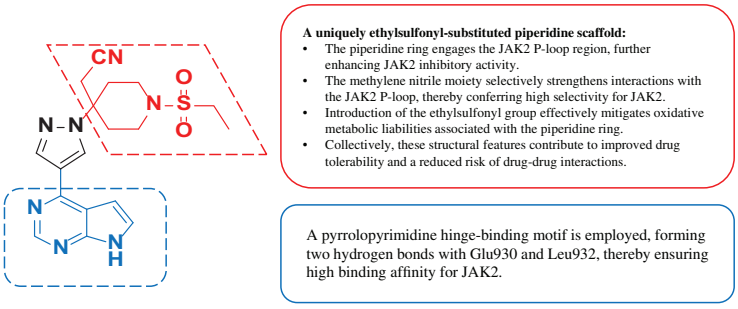
We submitted the first NDA of bezacitinib for MF to the NMPA in August 2024, with marketing approval received in April 2026. We completed the Phase III clinical trial for PV in May 2026 and are currently preparing the NDA submission package. We expect to submit the NDA to the NMPA in the third quarter of 2026. Furthermore, we will continue to advance the Phase Ib/II clinical trial of bezacitinib in patients with ET and plan to initiate a Phase III trial in the fourth quarter of 2026. With these clinical advancements, bezacitinib is one of the first three domestically developed JAK inhibitors in China approved for MF. In terms of clinical progress, bezacitinib ranks as the first JAK inhibitor in China for PV, and the first JAK inhibitor globally for ET. In addition, we evaluated bezacitinib in a Phase I clinical trial in graft-versus-host disease (GVHD), exploring its broader potential for the treatment of autoimmune diseases with unmet medical needs. We expect to initiate the Phase II clinical trial for GVHD in the second quarter of 2027.

Drug Design and Mechanism of Action

The JAK family is a group of non-transmembrane tyrosine kinases that mediate cytokine-stimulated signal transduction through the JAK-STAT signaling pathway, a key pathway regulating hematopoiesis, immune responses, and inflammation. The family comprises four main members, including JAK1, JAK2, JAK3, and TYK2, which share a high degree of structural homology but differ in functional roles. Among them, JAK2 plays a particularly critical role in hematopoietic and immune signaling, mediating cytokine-driven processes such as erythropoiesis, thrombopoiesis, and immune cell activation.

Upon cytokine-receptor binding, the ligand induces conformational changes that activate the associated JAKs, leading to trans-phosphorylation and phosphorylation of tyrosine residues on the receptor's intracellular tail. This phosphorylation creates docking sites for signal transducers and activators of transcription (STATs), which are subsequently phosphorylated, dimerized, and translocated into the nucleus, where they bind to specific DNA sequences and regulate gene transcription. Through this cascade, JAK2 transmits critical growth and survival signals to hematopoietic and immune cells. Mutations in JAK2-V617F, CALR, and MPL represent the most common driver mutations in MPNs, occurring in approximately 87-100% of patients with primary myelofibrosis (PMF), 98% in PV, and 85-92% in ET. These mutations result in constitutive activation of the JAK-STAT pathway, independent of cytokine stimulation, thereby driving uncontrolled cell proliferation, aberrant myeloid differentiation, and malignant transformation.

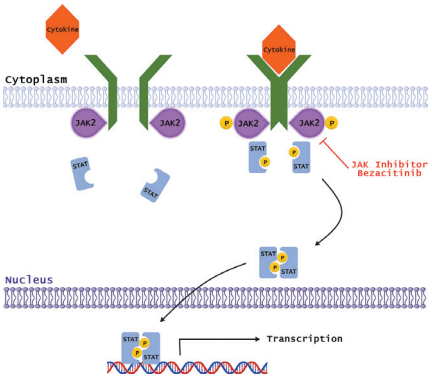
Bezacitinib is a JAK2 kinase selective inhibitor with sub-nanomolar inhibitory potency against both wild-type JAK2 and mutant JAK2-V617F. The diagram below illustrated the structure of this molecule:



Source: Company data

Bezacitinib robustly suppresses STAT phosphorylation within the JAK-STAT signaling cascade, thereby blocking downstream transcriptional activation of proliferation-related genes. Through potent inhibition of JAK2 and mutant JAK2-V617F kinase activity and effective suppression of JAK-STAT pathway signaling, bezacitinib inhibits tumor-cell proliferation driven by JAK2-V617F, CALR, and MPL mutations across MF, PV, and ET. Importantly, bezacitinib combines broad coverage of key MPN driver mutations with high target selectivity, enabling effective pathway inhibition while reducing the risk of treatment-related adverse events. This differentiated pharmacological profile supports sustained cytoreductive control and long-term treatment needs in PV and ET patients. In contrast, other JAK inhibitors either suffer from limited safety margins due to non-selective JAK inhibition or exhibit insufficient inhibitory intensity as a result of dispersed dual-target activity, rendering them unable to adequately control myeloproliferation in PV and ET. As a result, their clinical benefit has largely been confined to MF, with limited applicability across other MPN subtypes.

Mechanism of Action of Bezacitinib



Source: Company data

Market Opportunity and Competition

MF

MF is a rare MPN characterized by progressive bone marrow fibrosis, which displaces normal hematopoietic tissue and contributes to hematopoietic failure. It may present as primary MF or secondary MF, the latter evolving from PV or ET. In 2025, the China MF drug market was valued at approximately USD0.3 billion. It is expected to grow to USD0.4 billion by 2030 and USD0.5 billion by 2035.

As of the Latest Practicable Date, there were four approved JAK inhibitors for the treatment of MF in overseas markets and four JAK inhibitors had been approved in China for this indication. As of the Latest Practicable Date, there were no clinical-stage JAK inhibitor drug candidates under development for the treatment of MF in overseas markets, whereas one clinical-stage JAK inhibitor drug candidate was being developed for MF in China. For more details, please see "Industry Overview — Overview of Oncology Drug Market — JAK Inhibitors — Major Indications for JAK Inhibitors in Hematologic Malignancies — Myelofibrosis."

PV

PV is a MPN characterized by sustained erythrocytosis, often accompanied by leukocytosis and thrombocytosis, and is predominantly driven by activating JAK2 mutations. In China, the PV drug market was valued at approximately USD0.3 billion in 2025, and is projected to expand to USD0.6 billion by 2030 and USD1.1 billion by 2035.

As of the Latest Practicable Date, ruxolitinib remained the only approved JAK inhibitor for the treatment of PV in overseas markets and was not marketed in China. As of the same date, there were two clinical-stage JAK inhibitor drug candidates under development for the treatment of PV in overseas markets and two in China. Among these, bezacitinib was the most clinically advanced candidate, having completed its Phase III clinical trial. For more details, please see "Industry Overview — Overview of Oncology Drug Market — JAK Inhibitors — Major Indications for JAK Inhibitors in Hematologic Malignancies — Polycythemia Vera."

ET

ET is a chronic myeloproliferative neoplasm characterized by persistent thrombocytosis (platelet count $\geq 450 \times 10^9$/L), absence of BCR-ABL1, and bone marrow proliferation of large, mature megakaryocytes. In 2025, the China ET drug market was valued at approximately USD0.3 billion. It is expected to expand to USD0.6 billion by 2030 and USD1.1 billion by 2035.

As of the Latest Practicable Date, no JAK inhibitor had been approved for the treatment of ET either in overseas markets or in China. As of the same date, bezacitinib remained the only clinical-stage JAK inhibitor drug candidate under development for ET in overseas markets and in China, respectively. For more details, please see "Industry Overview — Overview of Oncology Drug Market — JAK Inhibitors — Major Indications for JAK Inhibitors in Hematologic Malignancies — Essential Thrombocythemia."

Key Advantages

Highly Selective and potent JAK2 Inhibitor with an Optimized Pharmacokinetic profile and without Drug-Drug Interaction

Bezacitinib is a highly selective and potent JAK2 kinase inhibitor with its molecular structure optimized to achieve potent inhibition of JAK2 while minimizing off-target effects on other JAK family members. From a structural chemistry perspective, bezacitinib is designed as an optimized pyrrolopyrimidine-based JAK inhibitor, with targeted modifications to the molecular moieties

engaging the P-loop region. Its distinctive ethylsulfonyl-substituted piperidine ring enables bezacitinib to retain key hydrogen-bond interactions with Glu930 and Leu932 in the JAK2 hinge region, while additionally forming a hydrogen bond with Gly858 in the JAK2 P-loop. These interactions collectively enhance JAK2 inhibitory potency. Importantly, while achieving robust inhibition of JAK2, bezacitinib minimizes off-target activity against other JAK family members, thereby improving selectivity.

Unlike first-generation JAK inhibitors that concurrently inhibit JAK1 and JAK2, bezacitinib precisely targets the catalytic domain of JAK2, effectively blocking the disease-driving JAK2-STAT signaling cascade while preserving normal cytokine and immune signaling mediated by JAK1 and JAK3. Preclinical kinase assays demonstrated sub-nanomolar potency (IC_{50} = 0.49 nM for JAK2; 0.58 nM for JAK2-V617F) and markedly weaker inhibition of JAK1, JAK3, and TYK2 (IC_{50} = 2.7, 27, and 7.3 nM, respectively), confirming a 5-55-fold selectivity window in favor of JAK2. By selectively inhibiting JAK2, bezacitinib can achieve strong anti-tumor activity while reducing off-target toxicities, particularly for patients with JAK2-V617F, CALR, and MPL mutations which are recognized as key pathogenic drivers of MPNs.

Furthermore, bezacitinib demonstrates distinct pharmacokinetic advantages among JAK inhibitors. Many pyrrolopyrimidine-based JAK inhibitors are susceptible to oxidative metabolism at sites adjacent to nitrogen atoms, which can lead to rapid drug breakdown and reduced exposure. Bezacitinib was rationally designed to address this limitation by incorporating a sterically hindered substituent on the piperidine nitrogen, thereby reducing its basicity and susceptibility to oxidative metabolism. This design results in improved metabolic stability *in vivo*. Clinical data support this mechanism, showing that bezacitinib is predominantly eliminated unchanged via urine and feces, accounting for 78.68% of the administered dose, while oxidative and hydrogenation-related metabolites together represent only a small proportion of the dose (approximately 0.47% to 4.08%).

These pharmacokinetic advantages are further reflected in bezacitinib's metabolic pathway profile, particularly its minimal dependence on Cytochrome P450 (CYP). CYP enzymes are a major family of liver enzymes responsible for metabolizing many commonly used medications, among which CYP3A4 is the most clinically relevant isoform and accounts for the metabolism of a substantial proportion of approved drugs. Drugs that rely heavily on CYP3A4-mediated metabolism are susceptible to drug-drug interactions when co-administered with CYP3A4 inducers, inhibitors, or other CYP3A4-metabolized agents, often resulting in altered drug exposure or reduced therapeutic effect. Bezacitinib's metabolism is predominantly driven by the minimal dependence on CYP enzymes, such as CYP3A4. As a result, the risk of CYP-mediated drug-drug interactions is extremely low. This leads to a more predictable pharmacokinetic profile and reduces the likelihood that concomitant medications will affect drug levels. These characteristics make bezacitinib a safer and more suitable treatment option for patients receiving multiple concomitant medications, particularly elderly patients with MPNs who often require complex treatment regimens. Such patients commonly present with comorbid chronic conditions, including hyperlipidemia, infections and gastrointestinal disorders, and therefore frequently receive concomitant therapies such as statins, proton pump inhibitors and antifungal agents. Many of these medications are substrates, inhibitors or inducers of CYP3A4, and MPN therapies that rely on CYP3A4-mediated metabolism may substantially restrict concomitant medication options. In contrast, several marketed JAK inhibitors undergo extensive CYP-mediated metabolism, which increases the risk of drug-drug interactions and imposes clinically meaningful limitations on their use.

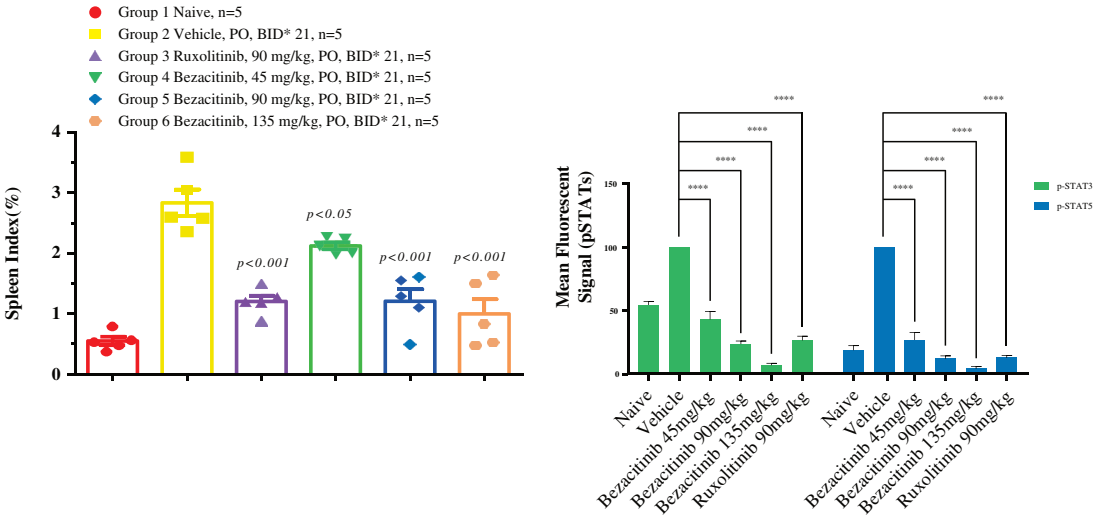
Strong Efficacy Demonstrated for MPNs

Based on its optimized molecular design, bezacitinib has demonstrated strong anti-tumor activity in both preclinical and clinical studies. Preclinical biochemical assays confirmed that bezacitinib strongly inhibited STAT phosphorylation within the JAK-STAT signaling cascade, showing concentration-dependent suppression of p-STAT3 in human PBMCs, human whole blood,

and rat whole blood, with IC_{50} values of 130 nM, 315 nM, and 169 nM, respectively. In cellular assays, bezacitinib displayed a potent anti-proliferative effect in the Ba/F3-EpoR-JAK2-V617F MPN cell model, with an IC_{50} of 77.2 nM, and showed comparable inhibition of cell proliferation relative to ruxolitinib.

In JAK2-V617F tumor-bearing mouse models (as shown in the diagrams below), bezacitinib treatment markedly prolonged survival, reduced splenomegaly, and inhibited p-STAT3 and p-STAT5 expression in spleen tissue, while reducing infiltration of MPN cells and lowering plasma IL-6 and TNF-α levels, demonstrating a strong correlation between dose and therapeutic outcome.

Efficacy of Bezacitinib in Attenuating Disease Progression in JAK2-V617F Tumor-Bearing Mice



Source: Company data

*Note: * indicates the statistical significance level.*

Consistent with its preclinical findings, bezacitinib has demonstrated a favorable efficacy profile for the treatment of MF in our clinical trials. We have completed a Phase II/III clinical trial in China evaluating bezacitinib in patients with MF compared with hydroxyurea, the first-line standard of care. Among 128 evaluable patients with MF in this trial, 54 of 86 patients (62.8%) in the bezacitinib group achieved SVR35 at Week 24, compared with 6 of 42 patients (14.3%) in the hydroxyurea control group ($p < 0.0001$), representing an absolute improvement of 48.5%. Notably, the best observed SVR35 rate reached 74.4% in the bezacitinib group, versus 23.8% in the control group, further highlighting the superior spleen-reducing efficacy of bezacitinib. In addition, bezacitinib treatment led to clinically meaningful symptom improvement, with 51.2% of patients achieving a ≥50% reduction in total symptom score (TSS) at week 24, compared with 31.0% of patients in the control group ($p = 0.0310$). All of these indicate bezacitinib's favorable efficacy profile in this patient population.

For the treatment of PV, bezacitinib achieved a high hematocrit (HCT) control rate of 100% (defined as HCT ≤45%) in 18 PV patients in our Phase Ib/II trial, as well as meaningful clinical responses, including complete hematologic response (CHR) of 38.9%, SVR35 of 56.3% at Week 24. For reference, publicly available data from two separate large-sample-size, controlled Phase III trials of ruxolitinib in PV reported HCT control rates of 60.0% to 62.2%, CHR rates of 23.0% to 23.6%, SVR35 rate of 38.2% at the end of 28 or 32 weeks of treatment. While these results were generated from independent, non-head-to-head trials, we believe they suggest that bezacitinib may have robust HCT-lowering activity in PV.

For the treatment of ET, our clinical study was designed to address patients who were resistant to or intolerant of hydroxyurea, as well as those intolerant of interferon, a population with significant unmet medical needs and limited treatment options under current standard of care therapies. Despite these stringent enrollment criteria, clinically meaningful efficacy was observed, particularly with respect to hematologic responses (HR) and spleen volume reduction. At week 24, the CHR rate was 22.0% (11 of 50 patients). Among evaluable patients, the HR rate reached 65.8% (25 of 38 patients) at the same time point. In addition, 94.7% of patients experienced a reduction in spleen volume, with 50.0% achieving SVR35. Clinically meaningful symptom improvement was also observed, with 74.2% of patients achieving a reduction of at least 50% in total symptom score as assessed by the Myeloproliferative Neoplasm Symptom Assessment Form (MPN-SAF). At the molecular level, among evaluable patients, 84.6% demonstrated a reduction in JAK2-V617F allele burden following treatment.

Favorable Safety Profile Demonstrated in Clinical Trials

Bezacitinib has consistently demonstrated a well-tolerated safety profile across clinical trials. In our Phase II/III study comparing bezacitinib to hydroxyurea in patients with MF, the rates of treatment interruption or dose reduction (43.0% vs. 45.2%) and permanent discontinuation (1.2% vs. 7.1%) were lower in the bezacitinib group compared with the hydroxyurea group, while the incidence of grade ≥3 AEs was comparable between the two groups (62.8% vs. 71.4%).

Across clinical trials for MPNs (including MF, PV and ET) to date, the AE profile of bezacitinib has been generally consistent with the known class effects of JAK inhibitors, primarily including anemia and thrombocytopenia, and no novel or drug-specific toxicities have been identified. Notably, no clear signals of contusion, hemorrhagic events, or neurological abnormalities such as dizziness or headache were observed. In addition, the incidence of key non-hematologic AEs, including diarrhea, nausea, and bruising, was lower, suggesting a potentially improved treatment experience and better long-term treatment adherence. From a cardiovascular safety perspective, the incidence of hypertension was low, supporting its potential suitability for patients with myelofibrosis who require long-term therapy. Importantly, no treatment-related thrombotic events were observed in patients with ET. While long-term safety continues to be evaluated in ongoing and future studies, the available data support bezacitinib's favorable and relatively narrow safety profile, which is consistent with its high selectivity for JAK2 and minimal off-target activity.

Clinical Safety and Efficacy Observed in Broader Patient Populations

Through rational molecular design and optimized pharmacologic properties, bezacitinib demonstrates potent, pathway-specific JAK2 inhibition while maintaining hematologic stability, translating into strong efficacy even in patients with high disease burden and complex clinical profile. Its clinical safety and efficacy observed across broader and more challenging patient populations with MPNs suggest potentially broad real-world applicability, supporting bezacitinib's competitive positioning among currently approved and late-stage JAK inhibitors.

MF

For MF, bezacitinib has been evaluated in a broader and more clinically challenging patient population than those typically enrolled in pivotal studies of approved JAK inhibitors, as evidenced by substantially greater baseline spleen volume. In the Phase II/III registrational study, patients treated with bezacitinib presented with more severe splenomegaly at baseline, with a mean spleen volume of 2,196.5 cm^3 and with platelet counts as low as $\geq 50 \times 10^9$/L and without a minimum baseline hemoglobin requirement. Accordingly, patients enrolled in bezacitinib trials exhibited more severe baseline hematologic and molecular risk profiles, including lower platelet counts, more severe anemia, a higher prevalence of poor prognostic JAK2-V617F mutations, and a lower prevalence of favorable CALR mutations, compared with patients enrolled in pivotal studies of other approved JAK inhibitors.

The Phase II/III trial of bezacitinib enrolled a substantially higher proportion of patients with advanced baseline cytopenias, including 12.8% with baseline platelet counts below 100×10^9/L and 74.4% with baseline hemoglobin levels below 100 g/L for the bezacitinib group. Nonetheless, bezacitinib achieved a spleen volume reduction of at least 35% (SVR35) in 62.8% of patients at Week 24, compared with 14.3% in the control arm. Notably, among patients with baseline platelet counts below 100×10^9/L, bezacitinib continued to demonstrate efficacy, with an SVR35 rate of 63.6%. Across prespecified subgroup analyses, bezacitinib consistently demonstrated clinically meaningful spleen volume reduction in patients with poor prognostic features, including severe anemia, marked splenomegaly, and baseline thrombocytopenia, with efficacy superior to hydroxyurea across these subgroups. Collectively, these findings suggest that bezacitinib may offer an effective and reliable treatment option for MF patients with limited therapeutic alternatives and more advanced disease.

These results suggest that bezacitinib maintains efficacy in patients with high disease burden and cytopenias, a group in whom dose reductions required to manage adverse events often led to reduced treatment response as seen with other JAK inhibitors. Notably, bezacitinib is the first JAK2 inhibitor in China to prospectively include MF patients with platelet counts $<100 \times 10^9$/L in a registrational trial, addressing a clinically high-risk and underserved population.

PV

In PV, bezacitinib has demonstrated superior efficacy in spleen volume reduction and symptom improvement compared with currently available therapies, including hydroxyurea and short-acting or long-acting interferons, thereby addressing key limitations of existing treatments and contributing to a meaningful improvement in patients' quality of life. Moreover, bezacitinib has shown encouraging clinical activity even in patients with high hematocrit (HCT) levels, who are typically more difficult to treat. PV is a chronic blood cancer characterized by excess red blood cell production, leading to an elevated HCT level and increases in risks of serious and other complications. In pivotal trials of approved JAK2 inhibitors (such as ruxolitinib) in PV, patients were generally required to have a baseline HCT level below 45% prior to treatment, and were permitted at least one phlebotomy (a procedure removing blood out of the body) during early treatment to maintain HCT levels.

To reflect real-world clinical practice and include a broader patient population, our Phase Ib/II clinical study of bezacitinib did not require pre-treatment HCT control for PV patients, and a proportion of enrolled patients had baseline HCT levels above 45%. Moreover, phlebotomy and apheresis (another procedure to reduce red blood cells) were not permitted during treatment, meaning that HCT control relied on study drug alone. Despite this more challenging setting, bezacitinib achieved a high HCT control rate of 100% in PV patients in this Phase Ib/II trial at week 24, along with meaningful clinical responses, including complete hematologic response (CHR) rate of 38.9%, SVR35 rate of 56.3%. Bezactinib also exhibited a good tolerability in PV patients, with AEs predominantly Grade 1/2 and resolving quickly with or without intervention. These results suggest that bezacitinib may provide robust HCT control and clinical benefits to a broader and more clinically complex PV population, and supported advancement into the Phase III trial, which was completed in May 2026.

ET

The bezacitinib study evaluated a broader and more clinically relevant ET patient population by including patients intolerant of both hydroxyurea and interferon. Notwithstanding this more challenging clinical context, bezacitinib demonstrated consistent therapeutic activity, with a Week 24 hematologic response rate of 65.8% and an SVR35 rate of 50.0%, together with a favorable safety profile and no treatment-related thrombotic events observed in the study, supporting its differentiated clinical positioning for ET patients with limited treatment options.

Clinical Progress ahead of the Industry Average across MPNs and Selected Autoimmune Disease, with Indication Expansion and Combination Potential

We are currently focused on developing bezacitinib for various hematologic cancers, including three major MPN subtypes driven by aberrant JAK2 activation. With continued clinical progress, bezacitinib is among the first three JAK inhibitors to have submitted an NDA for MF in China, the first to have entered into Phase III clinical development for PV in China, and the first to have entered into ongoing clinical development for ET worldwide.

Beyond hematologic cancers, bezacitinib's selective modulation of JAK2-driven cytokine signaling, while sparing JAK1-dependent immune function, positions it for potential expansion into autoimmune diseases such as GVHD and other cytokine-mediated inflammatory disorders. Bezacitinib has demonstrated a range of immunomodulatory effects relevant to the treatment of GVHD. It improved survival and attenuated inflammatory tissue injury in GVHD animal models, supporting its potential as a promising therapeutic approach for GVHD and other immune-mediated inflammatory diseases. Consistent with these preclinical findings, the Phase Ib/II trial of bezacitinib in GVHD showed encouraging clinical activity, with all five evaluable patients achieving partial response at Week 4 (100% ORR).

In addition to use as monotherapy, bezacitinib exhibits strong synergistic potential when combined with our other pipeline assets, such as CX03 (PIM inhibitor) and CX1440 (BTK inhibitor), in our preclinical studies. Preclinical data have shown that the combination of bezacitinib with CX03 produces synergistic anti-proliferative effects in animal tumor models, suggesting potential efficacy in MF patients refractory or resistant to JAK2 inhibitor or other standard therapies. Similarly, co-administration with the CX1440 has extended survival and improved overall outcomes in GVHD animal models. These results illustrate bezacitinib's combination potential to offer enhanced therapeutic benefits across MPNs and immune-related indications. In addition to GVHD, we have also received IND approvals for multiple autoimmune diseases, including RA, SLE, UC and atopic dermatitis (AD).

This diversified development approach allows us to maximize the clinical and commercial values of bezacitinib by addressing multiple high-value therapeutic areas. With an advanced clinical development stage, and a comprehensive strategy for indication and combination expansion, bezacitinib is well-positioned to establish its competitive differentiation and achieve long-term growth prospects.

Summary of Clinical Trials

MF, PV and ET

Completed Phase I trial of bezacitinib in healthy adult volunteers in China

The Phase I clinical trial of bezacitinib was completed prior to the transfer of the intellectual property rights relating to bezacitinib to the Company. 100% of the intellectual property rights in China and 50% of the intellectual property rights outside China relating to bezacitinib were transferred from entities controlled by the Research Institute, and the remaining 50% of the intellectual property rights outside China were transferred from Aojin Bio. For details of the transfer history of technology and data, see "Business — Intellectual Property." The clinical trial was conducted and completed by Hangzhou Guangliang Biopharmaceutical Co., Ltd. (杭州廣良生物醫藥有限公司, "**Guangliang**", previously named as 杭州華東醫藥集團生物醫藥有限公司).

We are the sole owner of all intellectual property rights and clinical data relating to bezacitinib after the technology transfer. All intellectual property rights and clinical data relating to bezacitinib previously held by the Research Institute and its controlled entities have been transferred to us pursuant to the technology transfer agreements. The scope of such transfers encompassed all patent rights, patent application rights, technical materials and data generated throughout the R&D process, and all relevant regulatory approvals and filings. Following the completion of the technology transfers in 2020, all clinical trial costs have since been borne by us, all clinical work has been conducted by us, and all data generated and intellectual property arising therefrom are owned by us. The intellectual property rights and R&D data held by Aojin Bio have also been transferred to us pursuant to the agreement.

The core R&D personnel involved in the Phase I clinical trial, namely Ms. Lu Jian (our Executive Director and deputy general manager), Ms. Jiao Yu (our head of medical affairs) and Mr. Ruan Yajun (our head of clinical operations), have all joined our Company and continued to participate in the subsequent phases of clinical development. Each of them has remained employed by us throughout the Track Record Period and up to the Latest Practicable Date, with no adverse impact on the continuity of the bezacitinib clinical program.

Trial Design. This was a first-in-human, single-center, randomized, double-blind, placebo-controlled, single-ascending-dose study conducted in healthy volunteers. The trial evaluated oral single doses of bezacitinib across multiple dose levels, including 1 mg, 2 mg, 4 mg, 8 mg, 16 mg, 28 mg, and 40 mg. Subjects were randomized to receive either bezacitinib or placebo within each dose cohort and were admitted for inpatient observation from Day 1 to Day 4, followed by a safety follow-up visit on Day 7. The primary objectives of the study were to assess the safety and tolerability of single oral doses of bezacitinib.

Trial Status. A Phase I trial of bezacitinib was initiated in June 2019 in healthy adult volunteers. A total of 56 healthy adult volunteers were enrolled. The study was completed in January 2020.

Safety Results. Bezacitnib was generally well tolerated across all evaluated dose levels. Treatment-emergent adverse events (TEAEs) were predominantly mild to moderate in severity and reversible. No dose-limiting toxicities, serious adverse events (SAEs), or deaths were reported. No clinically meaningful abnormalities were observed in vital signs, electrocardiograms, or physical examinations.

Conclusion. The Phase I single-ascending-dose trial of bezacitinib in healthy volunteers demonstrated a favorable safety and tolerability profile. This result supported further clinical development of bezacitinib.

Completed Phase Ib/II trials of bezacitinib in patients with MF and PV, and ongoing Phase Ib/II trial in patients with ET in China

Trial Design. This study comprises two parts: a Phase Ib portion and a Phase II portion. The Phase Ib part is a non-randomized, open-label, single- and multiple-dose dose-escalation trial designed to evaluate the safety, tolerability, pharmacokinetics (PK), pharmacodynamics (PD), and preliminary efficacy of bezacitinib in patients with intermediate- or high-risk MF, and to determine the maximum tolerated dose (MTD) and recommended Phase II dose (RP2D). Six dose cohorts — 8mg, 16mg, 24mg, 32mg, 40mg, and 48 mg, administered orally BID under fasting conditions — are planned for evaluation. For the Phase II part, the selected MTD/RP2D will be evaluated in patients with intermediate- or high-risk MF, PV, and ET in the subsequent dose-expansion phase. The study population included both first-line and second-line patients.

Trial Status. We sponsor and conduct this trial, bear all clinical trial costs and own all clinical data generated and all resulting intellectual property rights. We commenced the Phase Ib/II trial of bezacitinib in patients with MF, PV and ET in November 2020 in China. We completed the MF and PV cohorts of this trial in May 2021 and June 2023, respectively. As of April 28, 2026, a total of 276 patients had been enrolled in the study, comprising 102 patients with MF, 67 patients with PV and 107 patients with ET[(1)(2)].

Safety Results. As of April 28, 2026, among the 276 patients included in the safety analysis set, a total of 2,591 adverse reactions, or ARs, were reported in 234 patients, including 193 Grade 3/4 ARs reported in 87 patients. The most frequently reported ARs, each with an incidence of at least 10%, were anemia (60.14%), elevated alanine aminotransferase, or ALT (31.52%), elevated aspartate aminotransferase, or AST (29.71%), increased blood creatinine (23.55%), elevated gamma-glutamyl transferase, or GGT (20.65%), weight gain (20.65%), decreased blood fibrinogen (20.65%), decreased platelet count (19.20%), decreased white blood cell count (17.75%), hypertriglyceridemia (15.94%), hyperuricemia (12.68%), decreased neutrophil count (12.32%) and decreased lymphocyte count (10.87%).

As of the same date, a total of 21 serious adverse reactions, or SARs, were reported in 20 patients, including herpes zoster, bacterial pneumonia, pulmonary tuberculosis, infectious pneumonia, upper gastrointestinal hemorrhage, pneumonia, post-traumatic infection, cytomegalovirus pneumonia, fever, pulmonary cryptococcosis, pulmonary infection, infectious gastroenteritis, acute bronchitis, thrombocytopenia, gastrointestinal bleeding, hepatitis B virus reactivation and endometrial tuberculosis. By indication, ten SARs were reported in nine patients with MF, four SARs were reported in four patients with PV, and seven SARs were reported in seven patients with ET. Overall, bezacitinib demonstrated a manageable safety profile, with ARs generally consistent with the known pharmacological and safety profile of JAK2 inhibitors.

Notes:

1 The relatively longer duration of this ongoing Phase Ib/II trial was primarily attributable to our overall clinical development strategy, the trial design and the extended follow-up requirements. We strategically prioritized the clinical development of bezacitinib in MF and PV at the earlier stage, and accordingly allocated more R&D and clinical development resources to these two indications. As a result, the ET trial was initiated later, which affected its overall development timeline. In addition, this trial is a non-randomized, open-label, sequential, multi-dose expansion study, under which dose selection and expansion are conducted based on the PK/PD, safety and tolerability data generated during the dose-escalation part. The trial also covers both first-line ET patients and second-line ET patients who are resistant or intolerant to hydroxyurea or interferon, resulting in more complex patient stratification. To better define the target patient population and stratified endpoints for the subsequent Phase III clinical trial, we continued enrollment to supplement the sample size rather than closing enrollment early. Based on interim data analysis, the efficacy of bezacitinib in ET patients tended to stabilize after 48 weeks of treatment. Accordingly, we amended the protocol to include long-term safety follow-up after completion of the 48-week follow-up, which further extended the overall observation period of this trial.

2 In June 2025, during its review of the NDA for bezacitinib for the treatment of MF, the CDE recommended that we consider further updating the overall safety database for bezacitinib by incorporating additional patient exposure data at the recommended and higher dose levels. As the recommendation was expressed by reference to patient exposure at certain dose levels rather than by disease indication, safety data from PV or ET patients treated at those dose levels could also be included. This recommendation was made solely to obtain more comprehensive clinical safety information and did not question the adequacy of the existing safety data.

In response, and given that the Phase Ib/II trial in ET patients remained ongoing with continued enrollment, we, together with the relevant principal investigators and with the approval of the applicable ethics committees, proceeded with additional enrollment of patients with MF and PV. The extra enrollment served only to update the overall safety database and did not alter the completed status of MF and PV cohorts, change any protocol-specified endpoints, or modify the efficacy analyses. We subsequently submitted the updated safety data to the CDE in December 2025, and the NMPA approved our NDA for the treatment of MF in April 2026.

Efficacy Results.

- MF. In patients with MF, bezacitinib demonstrated clinically meaningful efficacy across dose-escalation and expansion cohorts. In the dose-escalation phase (N=9), at Week 24, the SVR35 was 42.9%, with five patients achieving clinical improvement despite small cohort sizes. In the dose-expansion Cohort A, which included JAK inhibitor-naive patients predominantly receiving the 20 mg BID regimen, the SVR35 reached 77.3%, or 65.4% when spleen volume data were imputed using the last observation carried forward (LOCF) method, indicating robust spleen volume reduction. In contrast, Cohort B, consisting of patients previously treated with ruxolitinib, showed limited efficacy, and further exploration was discontinued after reaching prespecified futility criteria. In the third part of the study, the 24-week SVR35 was 54.8% (or 47.5% by LOCF analysis). Across cohorts, bezacitinib treatment resulted in varying degrees of improvement in MF-related constitutional symptoms.

- PV. In PV patients, bezacitinib achieved a clinical hematologic response rate of approximately 90% as of January 19, 2025, with rapid onset and durable efficacy in the dose-expansion Cohort A. The complete hematologic response (CHR) rates in the third part of the study were lower than those observed in Cohort A, though both cohorts demonstrated notable improvement in constitutional symptoms. Based on the full analysis set (FAS) and responder set (RES), the mean (±SD) percentage change in spleen volume from baseline at Week 24 was -35.79 ± 16.55% in Cohort A and -40.47 ± 16.39% in the third part, confirming a marked spleen volume reduction following bezacitinib treatment.

- ET. In ET patients, bezacitinib demonstrated favorable and sustained hematologic responses as of April 28, 2026. In the dose-expansion Cohort A, hematologic response rates were 55.9% at Week 12, 69.0% at Week 24, and 79.2% at Week 48, while complete hematologic response rates were 25.0%, 25.9%, and 29.2%, respectively. The median time to first hematologic response was 1.1 months for the 16 mg group, 0.7 months for the 20 mg group, and 0.7 months overall. In the third part, the hematologic response rate at Week 24 was 50.0%, with a complete response rate of 25.0% and a median time to first response of 0.5 months. Across cohorts, patients reported stable and sustained improvement in constitutional symptom scores, with no significant difference between dose levels.

Overall, treatment with bezacitinib resulted in meaningful spleen volume reduction and symptomatic improvement in MF, as well as significant hematologic responses and spleen volume reduction in PV and ET, confirming its broad therapeutic efficacy across MPNs.

Conclusion. The clinical data from the Phase Ib/II trial of bezacitinib with MF, PV and ET has demonstrated promising safety and efficacy profile, and supports continued development.

Completed Phase II/III Trial of Bezacitinib in Patients with MF in China*

Trial design. This trial is a multicenter, randomized, double-blind, double-dummy, parallel-controlled Phase II/III clinical trial designed to evaluate the efficacy and safety of bezacitinib compared with hydroxyurea (HU) in patients with intermediate- or high-risk MF. Eligible patients will be randomized in a 2:1 ratio to receive either bezacitinib (20 mg twice daily, BID) or hydroxyurea tablets (0.5 g twice daily, BID). Randomization will be stratified according to the Dynamic International Prognostic Scoring System (DIPSS) classification, with strata defined as intermediate-2 risk and high risk.

* Instead of a separate Phase III clinical trail, we adopted a Phase II/III clinical trial of which the Phase II portion formed part of the pre-specified adaptive registrational design and accumulated efficacy and safety data, enabling the trial to proceed seamlessly into Phase III under the same protocol.

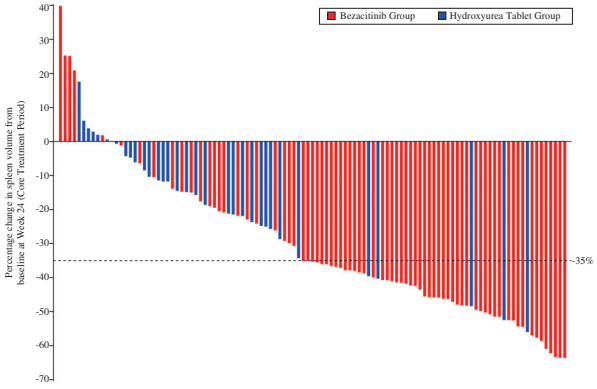
The primary objective of this study is to evaluate the efficacy of bezacitinib in reducing spleen volume in patients with intermediate- or high-risk MF. The secondary objectives are to assess spleen response, and improvement in MF-related symptoms in patients receiving bezacitinib treatment, as well as to evaluate the safety and tolerability of bezacitinib in this patient population. The primary endpoint of efficacy is the proportion of patients achieving a ≥35% reduction in spleen volume from baseline at Week 24 as assessed by the Independent Review Committee (IRC). For patients with missing spleen volume data at Week 24, the response will be imputed as non-evaluable and considered non-responders for the primary efficacy analysis. The safety endpoints include the incidence and severity of adverse events (AEs) and adverse drug reactions (ADRs) occurring from the first administration of the study drug until 28 days after treatment discontinuation (or until the day before initiation of new anti-MF therapy if started within 28 days post-discontinuation).

Trial Status. We sponsored and conducted this trial, bear all clinical trial costs and own all clinical data generated and all resulting intellectual property rights. We commenced the Phase II/III trial of bezacitinib in patients with MF in September 2021 in China. A total of 128 patients with intermediate- or high-risk myelofibrosis were enrolled in this study, including 86 patients in the bezacitinib group and 42 patients in the hydroxyurea group. Among them, 27 patients from the hydroxyurea group crossed over to receive bezacitinib treatment during the extension phase. We completed this trial in November 2023 and submitted NDA to NMPA in August 2024. We received NDA approval from the NMPA in April 2026.

Safety results. During the core treatment period (within 24 weeks of treatment initiation), the incidence of adverse events (AEs) was 96.5% in the bezacitinib group and 100.0% in the HU group, with treatment-related AEs reported in 90.7% and 95.2% of patients, respectively. Grade ≥3 AEs occurred in 62.8% of patients in the bezacitinib group and 71.4% in the HU group. The incidence of serious adverse events (SAEs) was 19.8% in the bezacitinib group and 21.4% in the HU group. Dose reductions or treatment interruptions due to AEs occurred in 43.0% of patients in the bezacitinib group compared with 45.2% in the HU group, while permanent discontinuation due to AEs occurred in 1.2% and 7.1% of patients, respectively.

Efficacy results. In this trial, the proportion of patients achieving SVR35 at Week 24 was 62.8% in the bezacitinib group and 14.3% in the hydroxyurea group, with a rate difference of 48.5% (95% CI: 33.6%, 63.4%), demonstrating statistically and clinically significant superiority of bezacitinib over hydroxyurea. Bezacitinib also produced sustained improvement in MF-related symptoms, with the proportion of patients achieving a ≥50% reduction in total symptom score increasing from 31.4% at Week 6 to 51.2% at Week 24, compared with a stable 31.0% in the hydroxyurea group. Overall, bezacitinib demonstrated rapid, durable, and clinically meaningful efficacy in patients with intermediate- or high-risk myelofibrosis, with superior spleen volume and symptom response compared with hydroxyurea. This figure below presents the distribution of percent change in spleen volume from baseline at Week 24 for each patient, highlighting spleen-volume reductions and the proportion achieving the ≥35% threshold for bezacitinib and hydroxyurea.

Waterfall Plot of Percent Change in Spleen Volume From Baseline at Week 24

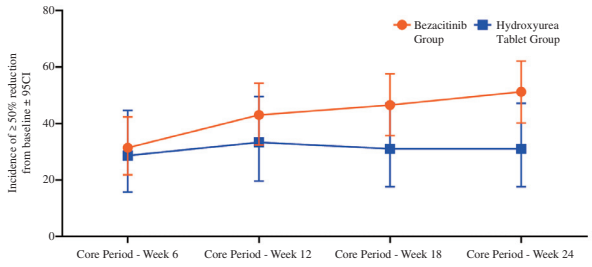


Source: Company data

Note: The figure shows the percent change in spleen volume from baseline for each patient at Week 24 (bezacitinib: n=76; hydroxyurea: n=33). Patients who did not complete 24 weeks of randomized treatment and had their last spleen-volume assessment before Week 24 (bezacitinib: n=10; hydroxyurea: n=9) were not included.

The figure below shows that a consistently higher proportion of patients in the bezacitinib group achieved a ≥50% reduction in MPN-SAF TSS throughout the core treatment period, indicating greater and progressively accumulating symptom improvement compared with hydroxyurea.

Proportion of Patients Achieving ≥50% Reduction From Baseline in MPN-SAF TSS Over Time



Source: Company data

Note: The between-group difference in the proportion of patients achieving a ≥50% reduction was calculated at each visit using the Clopper — Pearson exact method to derive the two-sided 95% confidence interval.

Conclusion. Bezacitinib demonstrated superior efficacy, favorable safety, and a narrow adverse event profile among JAK inhibitors for the treatment of MF, supporting its NDA submission.

Completed Phase III Trial of Bezacitinib in Patients with PV in China

Trial design. This trial is an open-label, randomized, controlled, multicenter Phase III clinical study designed to evaluate the efficacy and safety of bezacitinib compared with best available therapy in patients with hydroxyurea-resistant or hydroxyurea-intolerant PV. A total of 104 patients is planned to be enrolled. Eligible patients will be randomized to receive either bezacitinib tablets or best available therapy. The primary objective of this study is to evaluate the efficacy of bezacitinib in this patient population, and the secondary objectives are to assess the durability of response and safety. The primary efficacy endpoint is the proportion of patients achieving complete hematologic response and at least a 35% reduction in spleen volume from baseline at Week 28, as assessed based on central laboratory results and IRC review. Safety endpoints include the incidence and severity of adverse events and adverse drug reactions from the first administration of the study drug until 28 days after the end of treatment.

Trial status. We sponsor and conduct this trial, bear all clinical trial costs and own all clinical data generated and all resulting intellectual property rights. Initiated in China in June 2024, this trial had enrolled a total of 104 patients with hydroxyurea-resistant or hydroxyurea-intolerant PV by October 2025, when patient enrollment was completed. The Phase III trial was completed in May 2026, with the data readout expected in September 2026. We are concurrently preparing the NDA submission package and expect to submit it to the NMPA in the third quarter of 2026.

Ongoing Phase Ib/II Trial of Bezacitinib in Patients with GVHD in China

Trial design. This trial is an open-label, non-randomized Phase Ib/II clinical study designed to evaluate the safety, tolerability, PK/PD profile and preliminary efficacy of bezacitinib in patients with aGVHD and cGVHD. The study consists of a dose-escalation part and a dose-expansion part. In the dose-escalation part, approximately three to six patients are planned to be enrolled for each of aGVHD and cGVHD, with an initial dose of 16 mg BID. Based on the results from the dose-escalation part, one or more appropriate doses will be selected for the dose-expansion part, which consists of two cohorts for aGVHD and cGVHD, respectively, with approximately 52 patients planned for each cohort. The primary efficacy endpoint is ORR at Week 4 for aGVHD and Week 24 for cGVHD. Safety endpoints include the incidence and severity of adverse events and adverse drug reactions during the study.

Trial status. We initiated this trial in June 2022. As of August 11, 2026, this trial remained at the Phase Ib dose-escalation stage, and five patients had been enrolled.[(1)]

Safety Results. As of August 11, 2026, among the five patients included in the safety analysis, four experienced Grade 3 or above treatment-related adverse events and one experienced a treatment-related serious adverse event. No dose-limiting toxicities or deaths were reported, and no adverse event resulted in discontinuation or interruption of study treatment.

Efficacy results. As of August 11, 2026, all five evaluable patients achieved a partial response (PR) at Week 4, representing an ORR of 100.0%. At Week 2, one patient achieved a mixed response (MR) and four achieved PR; at Week 8, among four evaluable patients, one achieved a complete response (CR) and three achieved PR.

Clinical Development Plan

Following the NDA approval for MF from the NMPA in April 2026, we plan to advance our program through a staged, indication-expansion strategy, developing the candidate as a monotherapy for MPNs, with PV as lead indication, and subsequently extending into ET and selected immune-mediated diseases such as GVHD. This sequential approach is designed to build on established clinical and regulatory foundations, address significant unmet medical needs, and support broader development across hematologic and immune-related disorders. The table below sets forth details of our clinical development plan for bezacitinib:

Indication	Mono/ Combination	Clinical Trial Stage	Location	The Next Milestone
PV	Mono	NDA preparation	China	NDA submission expected in the third quarter of 2026
ET	Mono	Phase Ib/II	China	Phase III trial expected to commence in the fourth quarter of 2026
GVHD	Mono	Phase Ib	China	Phase II part of the ongoing Phase Ib/II clinical trial expected to commence in the second quarter of 2027

Note:

1. Patient enrollment in the Phase Ib clinical trial of bezacitinib for GVHD has progressed over an extended period, primarily reflecting our decision, following a review of our pipeline priorities and resource allocation, to prioritize the allocation of our clinical and financial resources to the more advanced MF, PV and ET programs. The enrollment timeline was not attributable to any identified safety or efficacy concerns or any regulatory action.

As illustrated in the above table, we are primarily developing bezacitinib for two major types of MPNs and a selected autoimmune disease:

- PV: We completed the Phase III clinical trial in May 2026 and are currently preparing the NDA submission package. We expect to submit the NDA to the NMPA in the third quarter of 2026.

- ET: We have consolidated the efficacy and safety data from the Phase Ib/II ET study and plan to engage in regulatory communication with the CDE in early 2026 in preparation for the initiation of a registrational clinical trial. We expect to commence the Phase III clinical trial in the fourth quarter of 2026.

- GVHD: We are pursuing a differentiated clinical positioning strategy. Ruxolitinib is currently primarily used in the second- or third-line treatment setting following failure of corticosteroid therapy, whereas bezacitinib is being explored for potential use in earlier lines of treatment and/or in the prophylactic setting.

License, Rights and Obligations

We own the global rights to develop and commercialize bezacitinib.

Material Communications with Competent Authorities

The following table provides a summary of material communications with regulatory authorities regarding bezacitinib:

Milestone/Stage	Timeline
NDA approval for MF from NMPA	April 2026
Receipt of a supplemental information notice from the CDE for the MF NDA[(1)]	June 2025
Submission of NDA for MF to NMPA[(2)]	August 2024
Pre-NDA meeting with the CDE for MF[(3)]	February 2024
EOP2 meeting with the CDE for PV[(4)]	June 2023
EOP1 meeting with the CDE for PV and ET[(5)]	January 2022
IND approval for GVHD[(6)]	October 2021
EOP2 meeting with the CDE for MF[(7)]	May 2021
IND approval for MF, PV, ET[(8)]	June 2020

Notes:

(1) In June 2025, during its review of the NDA for bezacitinib for the treatment of MF, the CDE recommended that we consider further updating the overall safety database for bezacitinib by incorporating additional patient exposure data at the recommended and higher dose levels. This recommendation was made solely to obtain more comprehensive clinical safety information and did not question the adequacy of the existing safety data. We subsequently submitted the relevant updated safety data in December 2025.

(2) In connection with the NDA submission for MF, we submitted the NDA application package for bezacitinib in MF to the NMPA, including relevant clinical, non-clinical and CMC materials.

(3) In connection with the pre-NDA meeting with the CDE for bezacitinib in MF, we submitted relevant materials and communicated with the CDE regarding the proposed NDA submission. We reached substantial alignment with the CDE on the matters relating to the proposed NDA submission and subsequently submitted the NDA in August 2024.

(4) In connection with the EOP2 communications with the CDE for PV, we submitted meeting packages and supporting materials relating to the proposed Phase III clinical trial protocol for bezacitinib in PV. We and the CDE substantially aligned on the key aspects of the proposed Phase III clinical trial protocol.

(5) In connection with the EOP1 meeting with the CDE for PV and ET, we submitted meeting packages and supporting materials relating to the proposed Phase Ib/II clinical trial protocols for bezacitinib in PV and ET. We and the CDE were substantially aligned on the matters relating to the proposed Phase Ib/II clinical trial and the protocols.

(6) In connection with the IND approval for GVHD, we submitted the relevant IND application package, including preclinical study data, CMC materials and the proposed clinical trial protocol. The NMPA approved and permitted the commencement of the relevant clinical trial.

(7) In connection with the EOP2 communications with the CDE for MF, we submitted meeting packages and supporting materials relating to the proposed Phase II/III clinical trial protocol for bezacitinib in MF. We and the CDE were substantially aligned on the matters relating to the Phase II/III clinical trial and the protocol.

(8) In connection with the IND approval for MF, PV and ET, we submitted the relevant IND application package, including preclinical study data, CMC materials and proposed clinical trial protocols. The NMPA permitted the commencement of the relevant clinical trials.

The IND approval obtained from the NMPA for bezacitinib in the treatment of MF, PV and ET is an umbrella IND approval, as it covers the clinical development of bezacitinib for multiple indications within MPNs under one clinical trial approval. In this context, "umbrella" refers to the fact that the same IND approval covers multiple indications within MPNs, namely MF, PV and ET. In terms of scope, such IND approval does not, by its terms, prescribe or limit the clinical investigation to any specific clinical phase. Accordingly, it supports the conduct of clinical studies of bezacitinib for the covered indications across different stages of clinical development, including early-stage dose-escalation and dose-expansion studies, Phase II/III registrational studies and Phase III registrational studies, subject to compliance with applicable regulatory requirements and communications with the CDE prior to the commencement of pivotal or registrational studies. Since initiating the Phase Ib/II dose-escalation and dose-expansion studies, we have not received any material objection from the NMPA on the commencement or progress of this study. Under Measures for the Administration of Drug Registration (《藥品註冊管理辦法》) in China and our IND from the NMPA, we are required in principle to consult the CDE before commencing pivotal or registrational studies, which we had duly fulfilled such requirement through EOP2 meetings with the CDE held in May 2021 and June 2023, respectively, prior to the initiation of the Phase II/III registrational clinical trials of bezacitinib for MF and PV in China. Based on the Company's communications with the CDE, the CDE has raised no objection to the Company proceeding with the relevant registrational clinical trials before completion of the entire Phase Ib/II trial. Separately, we obtained an IND approval for bezacitinib in the treatment of GVHD. Similar to the IND approval for MF, PV and ET, such approval is not limited to a specific clinical phase and supports the clinical development of bezacitinib for GVHD across applicable clinical stages, subject to compliance with applicable regulatory requirements and further communications with the CDE before commencing registrational studies. For GVHD, following the completion of the Phase I clinical trial of bezacitinib in healthy adult volunteers, we submitted the IND application package, including preclinical study data, CMC materials and proposed clinical trial protocols. Under the PRC regulatory framework governing drug clinical trials, a clinical trial may be initiated in accordance with the protocol submitted by the applicant following (i) the CDE's technical review and the NMPA's approval or deemed approval of the relevant IND application and (ii) approval of the clinical trial protocol by the relevant ethics committee, provided that the submitted data package supports the proposed clinical trial design. Based on the completed Phase I data, the proposed patient clinical trial protocol and the overall data package submitted with our IND application, we received IND approval from the NMPA for bezacitinib for GVHD in October 2021. Accordingly, our clinical development of bezacitinib for GVHD has proceeded directly to patient studies without conducting a separate Phase I healthy volunteer study for GVHD. As of the Latest Practicable Date, we had not received any concerns or objections from any regulatory authority regarding our ongoing or completed clinical trials of bezacitinib or our clinical development plans, nor had there been any material unexpected or adverse changes since the date of issue of the relevant regulatory approval for bezacitinib.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET BEZACITINIB IN OTHER CLINICALLY RELEVANT INDICATIONS SUCCESSFULLY.

CX1440, our Core Product

Overview

CX1440 is a highly selective and potent BTK inhibitor being developed for the treatment of autoimmune diseases. By covalently and irreversibly binding to the active site of BTK, CX1440 inhibits BTK activity and blocks downstream B-cell receptor (BCR), Fc receptor (FcR), and Toll-like receptor (TLR) and CXCR signaling pathways. Through the suppression of these BTK-mediated pathways, CX1440 suppresses B-cell proliferation, differentiation and activation, reduces the production and release of pathogenic antibodies and inflammatory cytokines, attenuates FcγR-mediated phagocytosis, and modulates immune cell adhesion and trafficking, thereby regulating pathogenic immune responses.

CX1440 is currently being evaluated in a Phase III clinical trial for ITP and a Phase I/II clinical trial for CU, and has received IND approvals from the NMPA for SLE, MS and NMOSD. In the Phase Ib/II trial for ITP, CX1440 achieved the primary platelet response of 40.6%. CX1440 was well tolerated in this trial, with a manageable safety profile characterized by mostly mild laboratory or gastrointestinal/infectious adverse reactions, rare Grade ≥3 ARs, no treatment-related discontinuations, and no reports of atrial fibrillation, hepatic injury, hypertension or bleeding events.

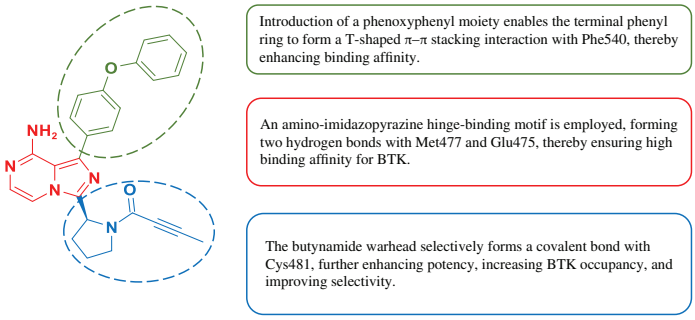
We have adopted a differentiated development strategy for CX1440 that prioritizes autoimmune indications with significant unmet need, including ITP, CU, and AIHA. Our clinical development programs for ITP, CU and AIHA rank among the top three globally in terms of development progress. The Phase III trial of CX1440 for ITP has been initiated with NDA submission expected in the fourth quarter of 2027, while the Phase II trial for CU is expected to be completed in the fourth quarter of 2026 and the Phase Ib/II trial for AIHA is expected to be initiated in the third quarter of 2026.

Drug Design and Mechanism of Action

BTK, a member of the TEC family of non-receptor tyrosine kinases, is selectively expressed in B lymphocytes and myeloid cells. BTK plays a central role in the signal transduction of the BCR and FcR pathways, regulating key immune processes including B-cell activation, proliferation, differentiation, antibody and cytokine production, phagocytosis, and immune-cell adhesion and trafficking. In addition, BTK participates in Toll-like receptor (TLR) and chemokine receptor signaling. Owing to its pivotal role in B-cell mediated humoral immune response and myeloid cell immediated innate immune response, BTK has become an established therapeutic target in both B-cell lymphoma and autoimmune diseases, with multiple BTK inhibitors already approved for clinical use.

BTK is a central mediator of multiple immune signaling pathways. In the BCR signaling pathway, antigen binding activates LYN and SYK, leading to PI3K activation and PIP3 generation, which recruits and activates BTK at the plasma membrane. Activated BTK forms a signaling complex with BLNK and PLCγ2, triggering downstream pathways that regulate B-cell activation, proliferation, differentiation, and apoptosis. In the FcR pathway, BTK is activated through Src and SYK kinases following Fc receptor engagement and plays a critical role in FcγR-mediated phagocytosis and FcεR-mediated inflammatory mediator release. BTK also functions downstream of TLR signaling via the MYD88 complex, promoting cell proliferation, antibody secretion, and pro-inflammatory cytokine production. In addition, BTK participates in chemokine receptor signaling, where CXCL12-CXCR4 activation stimulates BTK to support B-cell homing and migration.

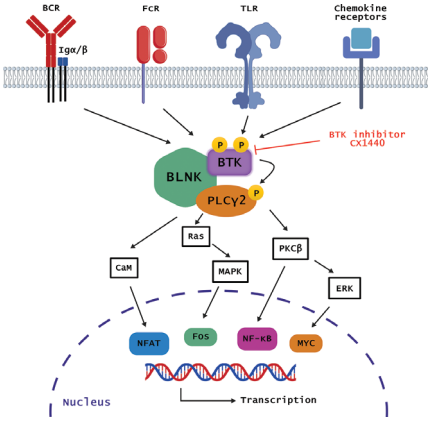
CX1440 is a highly selective and potent BTK inhibitor (IC_{50} = 4.6 nM) that covalently and irreversibly binds to the active site of BTK, thereby blocking BTK-dependent signaling across BCR, FcR, TLR, and chemokine pathways. The diagram below illustrated the structure of this molecule:



Source: Company data

By inhibiting BTK activation, CX1440 suppresses B-cell proliferation, differentiation, and activation; reduces the production and release of pathogenic antibodies and inflammatory cytokines; attenuates FcγR-mediated phagocytosis; and modulates immune-cell adhesion and trafficking. CX1440 has demonstrated robust preclinical efficacy across multiple autoimmune disease models, including ITP, as well as favorable safety and pharmacologic profiles, supporting its potential as a differentiated BTK-targeted therapy for a broad range of immune-mediated disorders.

Mechanism of Action of CX1440



Source: Company data

Market Opportunity and Competition

ITP

ITP is an autoimmune disorder characterized by persistently low platelet counts resulting from antibody- and T-cell-mediated platelet destruction and impaired platelet production. In 2025, the ITP drug market in China was valued at approximately US$0.9 billion. The China ITP drug market is estimated to grow to approximately US$1.7 billion by 2030 and further to approximately US$3.6 billion by 2035. As of the Latest Practicable Date, one BTK inhibitor drug was approved for the treatment of ITP in overseas markets and no BTK inhibitor drug had been approved in China for this indication. As of the Latest Practicable Date, pirtobrutinib remained the only clinical-stage

BTK inhibitor drug candidate under development for ITP in overseas markets. In China, six clinical-stage BTK inhibitor drug candidates were under development for ITP. For more details, please see "Industry Overview — Overview of Autoimmune Diseases — BTK Inhibitors — Major Indications for BTK Inhibitors in Autoimmune Diseases — Immunologic Thrombocytopenic Purpura."

CU

CU is a common allergic skin disorder characterized by recurrent, intensely pruritic wheals that are transient and may be accompanied by angioedema. In 2025, the CU drug market in China was valued at approximately US$3.0 billion. The China CU drug market is estimated to grow to approximately US$6.7 billion by 2030 and further to approximately US$10.9 billion by 2035. As of the Latest Practicable Date, one BTK inhibitor drug was approved for the treatment of CU (including CSU and CIU) in overseas markets with one approved BTK inhibitor in China. As of the same date, there were five clinical-stage BTK inhibitor drug candidates under development for CU (including CSU and CIU) in China. For more details, please see "Industry Overview — Overview of Autoimmune Diseases — BTK Inhibitors — Major Indications for BTK Inhibitors in Autoimmune Diseases — Chronic Urticaria."

AIHA

AIHA is an acquired autoimmune disorder characterized by autoantibody-mediated destruction of red blood cells that exceeds the bone marrow's compensatory capacity, resulting in anemia. In 2025, the AIHA drug market in China was valued at approximately US$164.5 million. The China AIHA drug market is estimated to grow to approximately US$219.8 million by 2030 and further to approximately US$339.8 million by 2035. As of the Latest Practicable Date, there were no approved BTK inhibitor drug for the treatment of AIHA in overseas market and in China. As of the same date, there was one clinical-stage BTK inhibitor drug candidate under development for the treatment of AIHA in overseas markets and two clinical-stage BTK inhibitor drug candidates under development for the treatment of AIHA in China. For more details, please see "Industry Overview — Overview of Autoimmune Diseases — BTK Inhibitors — Major Indications for BTK Inhibitors in Autoimmune Diseases — Autoimmune Hemolytic Anemia."

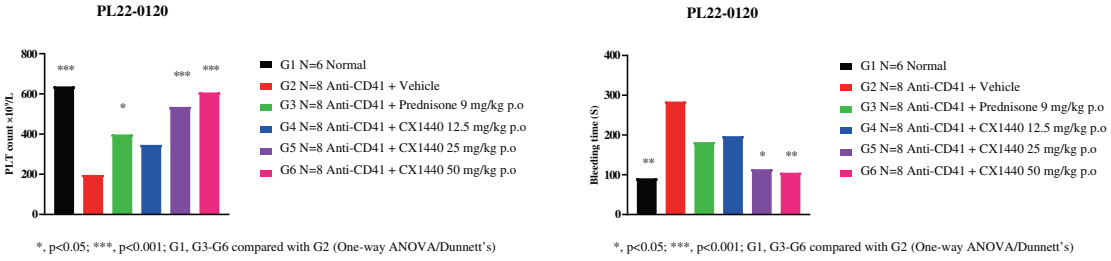
Key Advantages

Demonstrated Preclinical and Clinical Efficacy Supporting CX1440's Therapeutic Potential

CX1440 has demonstrated consistent efficacy across both preclinical and clinical settings, supporting its therapeutic potential in autoimmune diseases. Preclinical biochemical assays confirmed that CX1440 exhibits strong biochemical inhibition of BTK kinase (IC_{50} = 4.8 nM) and shows superior suppression of B-cell activation compared with ibrutinib, the first covalent BTK inhibitor approved globally (IC_{50} 4.2 nM vs. 22.7 nM). These data indicate a higher functional potency and greater ability to control pathogenic immune responses.

In multiple validated disease models, CX1440 produced significant improvements in key pharmacodynamic and disease-relevant endpoints. For example, as shown in the diagrams below, CX1440 restored platelet counts in an anti-CD41-induced primary ITP model, directly addressing the key efficacy endpoint for ITP. It also demonstrated a clear dose-dependent improvement, indicating that the pharmacologic effect is both robust and controllable, with the 50 mg/kg group showing the strongest platelet recovery. In parallel, CX1440 significantly reduced bleeding time in this preclinical study, which represents the most critical clinical need for ITP patients. Overall, its efficacy was comparable to, and at the higher dose even exceeded, that of prednisone, the standard first-line treatment for ITP.

Pharmacodynamic Assessment in an Anti-CD41-Induced Primary ITP Animal Model



Source: Company data

Clinical results further validate the therapeutic potential of CX1440. In Phase Ib/II studies conducted in ITP patients, CX1440 achieved high BTK target engagement, with BTK occupancy exceeding 80% across all dose levels and remaining consistently elevated throughout the dosing interval. This sustained and substantial level of target engagement confirms that CX1440 effectively binds to and inhibits BTK *in vivo*, ensuring continuous suppression of BTK-dependent signaling pathways without pharmacodynamic gaps between doses. Given that BTK drives common pathogenic mechanisms across multiple autoimmune diseases, including B-cell activation, antibody production, and Fc-mediated phagocytosis, this durable target inhibition provides a mechanistic foundation for stable and lasting clinical responses not only in ITP but also across other BTK-mediated autoimmune conditions. Moreover, in efficacy-evaluable patients, at week 12, CX1440 demonstrated a primary platelet response of 40.6% (13 of 32 patients) and an improved primary platelet response of 61.5% (8 of 13 patients) in patients who had responded to corticosteroid therapy, the standard first-line treatment for ITP. Response rates were consistent across dose cohorts.

A Safety Profile Characterized by High Selectivity and Minimal Off-Target Activity as well as Low Cardiac Safety Risk

According to our preclinical studies, CX1440 demonstrates a superior safety profile driven by its highly selective inhibition of BTK and minimal off-target activity across kinases commonly associated with systemic toxicity in first-generation BTK inhibitors. In a kinase selectivity panel covering 15 off-target kinases frequently inhibited by ibrutinib and other covalent BTK inhibitors, including most of HER family, TEC family, and SRC family members, CX1440 showed markedly weaker off-target inhibition, with fold-selectivity ratios ranging from >2,083× (JAK3, ITK, SYK) to ~1,000× (HER2) and 80–120× (SRC, LYN, HER4, EGFR) compared with BTK.

Moreover, cardiac safety is an important concern with first-generation BTK inhibitors, particularly in autoimmune diseases that require long-term treatment. CX1440 shows a low potential for cardiac risk in our preclinical studies: its hERG (human Ether-à-go-go-Related Gene) inhibition threshold is more than 650 times higher than the drug levels reached in patients at the recommended clinical dose, indicating a wide safety margin before the drug would affect the ion channels that control the heart's electrical rhythm. As a result, CX1440 is unlikely to cause QT prolongation, an abnormal lengthening of the heart's electrical reset interval, or other rhythm disturbances, reflecting its low cardiac safety risk and supporting its suitability for chronic administration.

Synergistic Potential with Our JAK2 Inhibitor Bezacitinib, Enabling Differentiated Combination Strategies for Complex Immune-Mediated Diseases

CX1440 demonstrates a robust synergistic effect when used in combination with our JAK2 inhibitor bezacitinib, offering a differentiated dual-pathway immunomodulatory approach for complex immune-mediated disorders, such as GVHD and SLE. Preclinical studies have shown that the combination of CX1440 and bezacitinib produces additive and, in certain models, synergistic suppression of pathogenic T- and B-cell signaling pathways, resulting in enhanced reductions in pro-inflammatory cytokines, improved immune homeostasis, and superior disease-modifying activity compared with either monotherapy.

In models of GVHD, the combination significantly prolonged survival, reduced tissue inflammation, and improved histopathological scores, exceeding the efficacy observed with JAK or BTK inhibitor alone. In myeloproliferative neoplasms and autoimmune models, concurrent BTK and JAK2 blockade demonstrated amplified inhibition of aberrant cytokine signaling and immune cell activation, supporting its potential application in diseases driven by both lymphoid and myeloid dysregulation, such as GVHD, SLE, and immune-driven cytopenias. This synergistic profile provides CX1440 with a unique strategic advantage over other BTK inhibitor programs, enabling a combination development pathway leveraging our internally developed bezacitinib.

A Differentiated Indication Portfolio Targeting High-Unmet-Need Autoimmune Diseases

Compared with the crowded competitive landscape of BTK inhibitors targeting B-cell lymphoma, we have adopted a differentiated development strategy for CX1440 that prioritizes autoimmune indications with significant unmet medical needs, including ITP, CU, and AIHA. This focused portfolio strategy is designed to address underserved patient populations through differentiated clinical positioning and innovative trial designs. Reflecting this approach, our clinical development programs for ITP, CU, and AIHA rank among the top three globally in terms of development progress.

Within this portfolio, each indication is pursued with a tailored development strategy aligned with its specific clinical unmet need. In ITP, the registrational clinical trial has been innovatively designed to permit the continued use of thrombopoietin receptor agonists (TPO-RAs) as background therapy at baseline, departing from the conventional restrictive approach to concomitant treatments. Given the increasing adoption of TPO-RAs in routine clinical practice, this design more closely reflects real-world treatment paradigms. By allowing patients to remain on their existing effective therapies, the study enhances patient safety while enabling a more precise evaluation of the additive efficacy and combination tolerability of BTK inhibition, thereby generating high-quality evidence to inform treatment decisions in clinically complex cases.

In CU, we have pursued a differentiated indication strategy by submitting a single investigational application covering both CSU and CIU, enabling a comprehensive evaluation across the two major clinical subtypes. CSU represents the predominant form of CU and encompasses a large patient population with persistent symptoms despite existing therapies, while CIU, a distinct subtype triggered by specific physical stimuli, remains an area of significant unmet clinical need with limited treatment options. Building on this dual-subtype framework, we plan to intensify development efforts in CIU at a later stage, reflecting a targeted recognition of this therapeutic gap and positioning us to potentially become the second domestic BTK inhibitor program to advance into registrational studies for this indication.

Summary of Clinical Trials

Completed Phase I trial of CX1440 in healthy volunteers in China

Trial Design. The study consisted of two parts: (i) a randomized, double-blind, placebo-controlled, dose-escalation study, and (ii) a randomized, open-label, two-period crossover study to evaluate the effect of food on the pharmacokinetics of the study drug. The primary objectives of the study were to evaluate the safety and tolerability of CX1440 following single and multiple dosing in healthy subjects, and to assess the effect of food on the pharmacokinetic profile of CX1440.

Trial Status. We sponsored and conducted this trial, bear all clinical trial costs and own all clinical data generated and all resulting intellectual property rights. We commenced a Phase I clinical trial of CX1440 in healthy adult volunteers in China in November 2021. A total of 24 subjects were enrolled in the dose-escalation study, and 24 subjects were enrolled in the food-effect study. The trial was completed in March 2022.

Safety Results. CX1440 was generally well tolerated across the evaluated dose levels. Treatment-emergent adverse events were predominantly mild to moderate in severity and reversible. No dose-limiting toxicities, drug-related serious adverse events or deaths were reported. No clinically meaningful abnormalities were observed in vital signs, electrocardiograms or physical examinations.

Conclusion. The Phase I clinical trial of CX1440 in healthy volunteers demonstrated a favorable safety and tolerability profile. The clinical data generated from this study support the advancement of CX1440 into subsequent clinical trials.

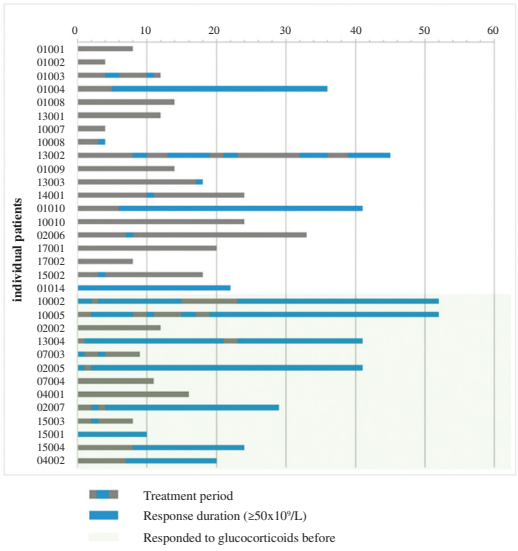
Completed Phase Ib/II trial of CX1440 in patients with ITP in China

Trial design. We commenced the Phase Ib/II trial of CX1440 in patients with ITP in February 2023 in China. This multicenter, randomized, open-label Phase Ib/II study enrolled adult patients with ITP who were refractory to or intolerant of standard therapies. Eligible patients were randomized to receive CX1440 at doses of 50 mg, 75 mg, or 100 mg administered twice daily for a treatment duration of 24 weeks. The primary endpoint was the proportion of patients achieving a platelet count of at least 50×10^9/L for a minimum of two consecutive weeks during the treatment period. Key secondary efficacy endpoints included sustained platelet response, defined as the proportion of patients achieving at least four platelet counts of $\geq 50 \times 10^9$/L across the final six scheduled assessments within the 24-week period in the absence of rescue medication use. Safety was assessed throughout the study through comprehensive monitoring of adverse events, physical examinations, and bleeding risk evaluations. In addition, the pharmacokinetic and pharmacodynamic profiles of CX1440 were characterized to support dose selection and further clinical development.

Trial Status. We sponsored and conducted this trial, bear all clinical trial costs and own all clinical data generated and all resulting intellectual property rights. The first participant was enrolled in February 2023, and enrollment of all 32 participants was completed in January 2024. We have completed this trial in March 2025.

Safety results. The overall AE incidence was 93.8%, with similar rates across dose cohorts. ARs occurred in 62.5% of patients. Eight patients (25.0%) experienced Grade ≥3 AEs, with only one Grade ≥3 AR reported in the 50 mg cohort. Six patients (18.8%) experienced seven SAEs, and no SARs occurred. No AEs led to dose escalation or reduction. Two ARs resulted in temporary treatment interruption in two patients. Three patients discontinued due to AEs, and no discontinuations were attributed to ARs. Most ARs were laboratory abnormalities, with occasional mild gastrointestinal or infectious symptoms, all generally manageable. Grade ≥3 ARs were rare. The safety profile was consistent with that of BTK inhibitors, and no atrial fibrillation, hepatic injury, hypertension, or bleeding events were reported. Overall, CX1440 demonstrated a manageable safety profile at the evaluated doses.

Efficacy results. Among the 32 subjects enrolled in the study, 13 (40.6%) achieved the primary endpoint. By dose cohort, 1 of 2 subjects (50.0%) in the 50 mg group, 6 of 15 subjects (40.0%) in the 75 mg group, and 6 of 15 subjects (40.0%) in the 100 mg group achieved the primary endpoint. Among the 13 responders, the sustained platelet response rate was 84.6% (11 patients). Higher response rates were observed in the subgroup of patients with a prior response to glucocorticoids, with a primary platelet response rate of 61.5% (8 of 13 patients) and a sustained platelet response rate of 53.8% (7 of 13 patients). The median cumulative duration of response was 22 weeks (interquartile range, 12 to 31 weeks). The median time to first achievement of a platelet count of at least 50×10^9/L was 4.13 weeks (range, 0.71 to 17.94 weeks). The diagram below shows the duration of platelet responses ($\geq 50 \times 10^9$/L) for each patient (blue bars), with green backgrounds indicating patients who had previously responded to glucocorticoid therapy.



Source: Company data

Conclusion. The clinical data from the Phase Ib/II trial of CX1440 with ITP has demonstrated promising safety and efficacy profile, and supports continued development.

Ongoing Phase I/II Trial of CX1440 in Patients with CU in China

Trial design. We initiated the Phase I/II trial of CX1440 in patients with chronic urticaria, or CU, in September 2025 in China. This randomized, open-label, single-arm Phase I/II study is designed to evaluate the safety, tolerability and recommended Phase II dose, or RP2D, of CX1440 capsules in adult patients with CU. Eligible patients are adults aged 18 to 75 years with CU diagnosed according to the 2022 Chinese guidelines for the diagnosis and treatment of urticaria, including patients with chronic spontaneous urticaria and chronic inducible urticaria inadequately controlled by H1 antihistamines. Eligible patients will receive CX1440 capsules administered orally twice daily under fasting conditions for a planned treatment duration of 24 weeks, with dosing adjusted in accordance with the trial protocol. The primary endpoints are safety and tolerability, including the number and proportion of patients experiencing adverse events and serious adverse events, as well as the nature, frequency, duration and severity of such events, laboratory tests, electrocardiogram results and vital signs. Secondary objectives include evaluating the pharmacokinetic profile of CX1440, the drug-drug interaction between CX1440 and loratadine, and the efficacy of CX1440 in patients with CU.

Trial status. We sponsor and conduct this trial, bear all clinical trial costs and own all clinical data generated and all resulting intellectual property rights. As of August 11, 2026, 21 patients had been enrolled.

Ongoing Phase III Trial of CX1440 in Patients with ITP in China

Trial design. We initiated this trial in September 2025 in China. This trial is a randomized, double-blind, placebo-controlled, multicenter Phase III clinical study designed to evaluate the efficacy and safety of CX1440 compared with placebo in adult patients with chronic primary immune thrombocytopenia, or ITP. A total of approximately 195 patients is planned to be enrolled. Eligible patients will be randomized at a 2:1 ratio to receive either CX1440 capsules at 100 mg BID or placebo. The study includes a screening period, a 24-week double-blind treatment period and a 28-week open-label extension treatment period. The primary objective of this study is to evaluate the sustained efficacy of CX1440 in this patient population, and the secondary objectives are to further assess its efficacy, safety and tolerability, impact on quality of life, and PK/PD profile. The primary efficacy endpoint is sustained response rate, defined as the proportion of patients achieving platelet counts of ≥50×10^9/L in at least four of the last six visits during the 24-week double-blind treatment period without rescue therapy within the preceding four weeks. Safety endpoints include, among others, the incidence of adverse events, electrocardiogram results and laboratory test results during the study.

Trial status. We sponsor and conduct this trial, bear all clinical trial costs and own all clinical data generated and all resulting intellectual property rights. As of July 14, 2026, 35 patients had been enrolled.

Clinical Development Plan

The table below sets forth details of our further clinical development plan for CX1440:

Indication	Mono/ Combination	Clinical Trial Stage	Location	The Next Milestone
ITP	Mono	Phase III	China	NDA submission in the fourth quarter of 2027
CU	Mono	Phase I/II	China	Phase II part of the ongoing Phase Ib/II clinical trial completed in the fourth quarter of 2026
AIHA	Mono	Phase I	China	Phase Ib/II clinical trial initiated in the third quarter of 2026
cGVHD	Mono	Phase I	China	Phase Ib/II clinical trial initiated in the second quarter of 2027

License, Rights and Obligations

We own the global rights to develop and commercialize CX1440.

Material Communications with Competent Authorities

The following table provides a summary of material communications with regulatory authorities regarding CX1440:

Milestone/Stage	Timeline
IND approval from the NMPA for AIHA[(1)]	August 2025
EOP2 meeting with the CDE for ITP[(2)]	June 2024
IND approval from the NMPA for CU[(3)]	September 2022
IND approvals from the NMPA for ITP and GVHD[(4)]	August 2022

Notes:

(1) In connection with the IND approval for AIHA, we submitted the relevant IND application package, including preclinical study data, CMC materials and the proposed clinical trial protocol. The NMPA permitted the commencement of the relevant clinical trial.

(2) In connection with the EOP2 communications with the CDE for ITP, we submitted meeting packages and supporting materials relating to the proposed Phase III clinical trial protocol for CX1440 in ITP. We communicated with the CDE and substantially aligned with the CDE on the design of the proposed Phase III clinical trial protocol.

(3) In connection with the IND approval for CU, we submitted the relevant IND application package, including preclinical study data, CMC materials and the proposed clinical trial protocol. The NMPA permitted the commencement of the relevant clinical trial.

(4) In connection with the IND approval for GVHD, we submitted the relevant IND application package, including preclinical study data, CMC materials and the proposed clinical trial protocol. The NMPA permitted the commencement of the relevant clinical trial.

The NMPA has granted separate IND approvals for CX1440 in the treatment of ITP, CU, AIHA and GVHD, respectively. Such IND approvals do not specify or limit the clinical investigation to any particular phase of clinical trial and therefore permit the conduct of clinical trials for CX1440 in the relevant indications across applicable clinical stages, subject to compliance with applicable regulatory requirements. Pursuant to the Measures for the Administration of Drug Registration (《藥品註冊管理辦法》) in China and the requirements under our IND approvals from the NMPA, we are required to communicate with the CDE before commencing pivotal or registrational studies. We duly fulfilled this requirement through an EOP2 meeting in June 2024 before initiating the Phase III clinical trial of CX1440 for ITP in China.

Following the completion of the Phase I clinical trial of CX1440 in healthy adult volunteers in China, we leveraged the safety, tolerability and pharmacokinetic data generated from such completed Phase I trial to support subsequent patient studies for autoimmune indications, including ITP, CU, AIHA and cGVHD. Under the PRC regulatory framework governing drug clinical trials, a clinical trial may be initiated in accordance with the protocol submitted by the applicant following (i) the CDE's technical review and the NMPA's approval or deemed approval of the relevant IND application and (ii) approval of the clinical trial protocol by the relevant ethics committee, provided that the submitted data package supports the proposed clinical trial design. Based on the completed Phase I data, the proposed patient clinical trial protocols and the overall data packages submitted with the relevant IND applications, the relevant patient studies for CX1440 commenced, or are expected to commence, directly from Phase Ib/II dose-escalation and dose-expansion studies without conducting a separate Phase I healthy volunteer study for each indication. We will communicate with the CDE before commencing pivotal or registrational studies where required under applicable PRC regulatory requirements.

We had not received any regulatory agency's concerns or objections to our ongoing and completed trials of CX1440 and clinical development plans as of the Latest Practicable Date.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET CX1440 SUCCESSFULLY.

CX03 (PIM1 Inhibitor)

CX03 is a small-molecule, orally administered PIM1 kinase inhibitor for use in combination therapy in the treatment of MF. By precisely modulating PIM signaling that is regulated by inflammatory cytokines and growth factors through the JAK-STAT and PI3K-AKT pathways, CX03 aims to deliver durable control of disease activity. Ongoing development efforts are focused on combination regimens with bezacitinib, supported by preclinical evidence demonstrating enhanced efficacy in disease models, positioning CX03 as a complementary agent to existing JAK inhibitor-based therapies.

Currently approved JAK inhibitors provide symptomatic relief in MF by reducing inflammation and extramedullary hematopoiesis; however, their SVR35 rate remains around 30%, meaningful reversal of bone marrow fibrosis is rare, and treatment is often associated with cytopenias and increased infection risk, leading to substantial early discontinuation. PIM1 is overexpressed in hematopoietic stem and progenitor cells in MF, and early studies of PIM1 inhibitors have shown reductions in pro-inflammatory cytokines, increases in anti-inflammatory adiponectin, and symptom improvement. Given its interaction with the JAK-STAT, PI3K-AKT, and NF-κB pathways, PIM1 inhibition may complement JAK inhibition and represents a promising strategy, particularly in JAK-resistant settings and combination therapy.

CX03 is a selective PIM1 inhibitor, which is intended to effectively disrupt MF progression while minimizing the hematologic toxicities that may be associated with non-selective (pan-PIM) inhibitors. Further, CX03 has been optimized for convenient oral dosing with steady exposure, while early safety engineering focuses on limiting heart-ion-channel interactions and avoiding broad off-target kinase effects. This highly selective PIM1 profile is designed to support use both as a monotherapy and in combination with JAK inhibitors such as ruxolitinib, with the goal of achieving greater reductions in spleen volume and symptom burden, as well as the potential for meaningful improvements in bone-marrow fibrosis.

In a Ba/F3-EpoR-JAK2-V617F orthotopic mouse model, CX03 demonstrated robust in vivo antitumor activity, significantly reducing spleen index and spleen weight versus vehicle controls. Combination treatment with CX03 and bezacitinib produced a synergistic spleen-reducing effect, achieving a 98.1% spleen volume reduction compared with bezacitinib monotherapy and prolonging median survival from 29.5 to 44.0 days. In a JAK2 inhibitor-resistant Ba/F3-EpoR-JAK2-V617F-L983F model, CX03 monotherapy showed superior spleen inhibition compared with bezacitinib (83.6% vs. 50.0%), while the combination therapy achieved the highest inhibition rate (92.1%) and extended median survival to 33 days, indicating enhanced efficacy of dual-pathway inhibition.

We expect to submit an IND application for CX03 for the combination therapy of MF in the fourth quarter of 2027.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET CX03 SUCCESSFULLY.

CX12 (METTL3 Inhibitor)

CX12 is an oral, small-molecule METTL3 inhibitor, and is being developed for solid tumors, with a focus on immuno-oncology settings where PD-1/PD-L1 checkpoint inhibitors show limited efficacy or acquired resistance, such as colorectal cancer and other hard-to-treat solid tumors. By modulating epigenetic RNA signaling that governs cancer cell survival and immune escape, CX12 is positioned as a combination partner for checkpoint blockade.

METTL3 is frequently overexpressed in multiple cancers, including acute myeloid leukemia, hepatocellular carcinoma, gastric cancer, and colorectal cancer, and is often associated with poor prognosis. By installing m^6A modifications on RNAs regulating cell growth, survival, metabolism, and stress responses, METTL3 promotes tumor progression and treatment resistance. Elevated METTL3 activity also suppresses interferon signaling, reduces CD8+ T-cell and NK-cell infiltration, and contributes to resistance to PD-1/PD-L1 therapies. Inhibiting METTL3 may therefore both impair tumor cell fitness and enhance antitumor immunity, providing a strong rationale for combination with PD-1/PD-L1 inhibitors to improve response rates and durability, particularly in patients with primary or acquired resistance to checkpoint therapy.

CX12 is designed to selectively lower METTL3's m^6A-writing activity, essentially "turning down" pro-tumor messages within cancer cells while helping the immune system better recognize and attack tumors. In preclinical studies, CX12 demonstrated potent enzyme inhibition and antiproliferative activity across multiple tumor cell lines, along with favorable oral exposure in rodents and dogs. In an MC38 mouse colorectal cancer model, CX12 combined with an anti-PD-1 antibody induced deep tumor regressions, with most tumors shrinking to undetectable levels and only rare late relapses after treatment cessation. Early animal safety studies have not identified unexpected toxicity signals. Together, these findings support CX12 as an oral epigenetic therapy designed to enhance checkpoint inhibitor responses and achieve durable tumor control in solid tumors.

We expect to submit an IND application for CX12, in combination with anti-PD-1 therapy, for the treatment of advanced unresectable or metastatic solid tumors in the fourth quarter of 2027.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET CX12 SUCCESSFULLY.

CX13 (PPARG)

CX13 is an inverse agonist of PPARG being developed for the treatment of advanced urothelial carcinoma characterized by aberrant PPARG activation. In preclinical studies, CX13 has demonstrated potent inhibitory activity against PPARG and exhibited antitumor effects in tumor cell and CDX models harboring PPARG mutations. CX13 has also shown favorable pharmacokinetic properties in animal PK studies.

PPARG is a key regulator of glucose and lipid metabolism and an essential transcription factor controlling cellular differentiation. It is expressed in multiple cell types, including immune cells and adipocytes, where it regulates energy metabolism, immune function, and adipocyte differentiation. In urothelial carcinoma (UC), PPARG is a critical transcription factor maintaining luminal differentiation. Approximately 30% of UC tumors harbor mutations in PPARG or RXRA, which are associated with loss of luminal characteristics, increased metastatic potential, and tumor progression. Therapeutically targeting PPARG may restore luminal differentiation and inhibit tumor initiation and progression through multiple mechanisms.

CX13 demonstrated potent and selective inhibition of PPARG and showed strong antitumor activity in a clonogenic assay using HT1197 bladder cancer cells. CX13 also exhibited favorable pharmacokinetic properties. Consistent with these findings, CX13 demonstrated meaningful antitumor efficacy in an HT1197 bladder cancer CDX model, with a clear dose-response relationship and tumor regression observed in the high-dose (1 mg/kg) group.

We expect to submit an IND application for CX13 for the treatment of solid tumors characterized by aberrant PPARG activation in the third quarter of 2027.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET CX13 SUCCESSFULLY.

CX15 (KEAP1 Activator)

CX15 is a covalent allosteric molecular glue degrader targeting KEAP1, intended for the treatment of solid tumors with constitutive NRF2 activation. CX15 has demonstrated antitumor effects in preclinical tumor models, supporting its potential application in solid tumors harboring KEAP1/NRF2-driven pathogenic mutations.

KEAP1 activators suppress NRF2 signaling by enhancing the activity of KEAP1, the substrate adaptor of the KEAP1-CUL3-RBX1 E3 ubiquitin ligase complex, thereby promoting NRF2 ubiquitination and proteasomal degradation and reducing NRF2-dependent cytoprotective and metabolic gene expression. Through sustained attenuation of NRF2 signaling, KEAP1 activators counteract aberrant NRF2 activation in certain cancers and reduce tumor stress tolerance and survival advantages. CX15 covalently binds to a cysteine residue in KEAP1, inducing conformational changes that stabilize the KEAP1-CUL3 E3 ligase complex and enhance NRF2 ubiquitination and degradation. By suppressing NRF2 signaling, CX15 may inhibit tumor drug resistance, antioxidant defense, immune evasion, and metabolic reprogramming.

In preclinical studies, CX15 demonstrated potent NRF2 degradation activity, with a DC_{50} below 1 nM and near-complete target degradation (D_{max} of 98%). In an HCC95 lung squamous cell carcinoma CDX mouse model, CX15 achieved tumor growth inhibition (TGI) exceeding 100%. Consistent efficacy was also observed in a Lu6407 squamous NSCLC PDX model, where CX15 achieved TGI greater than 100%, with complete tumor regression in 60% of treated animals at the end of dosing and sustained complete regression in 80% during the post-treatment observation period.

We expect to submit an IND application for CX15 for the treatment of solid tumors harboring KEAP1/NRF2-related mutations that result in constitutive NRF2 in the third quarter of 2027.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET CX15 SUCCESSFULLY.

CX16 (VAV1 molecular glue degrader)

CX16 is a selective molecular glue degrader of VAV1, currently in preclinical development for autoimmune and inflammatory diseases. It is designed as a therapy with the potential to be developed for the treatment of multiple autoimmune and inflammatory indications, including RA, IBD, and MS.

VAV1 is a key component of antigen receptor signaling complexes and plays an important regulatory role in both T-cell receptor (TCR) and B-cell receptor (BCR) signaling pathways. It also functions as a guanine nucleotide exchange factor (GEF) that regulates actin polymerization. Through its coordinated control of immune signaling and cytoskeletal dynamics, VAV1 regulates multiple immune cell processes, including proliferation, differentiation, activation, cytokine production, antibody generation, immune synapse formation, migration, and adhesion, thereby contributing to immune-mediated disease mechanisms. CX16 is a molecular glue degrader that promotes the formation of a ternary complex between CRBN and the target protein VAV1, which is recruited as a neosubstrate of CRBN. This interaction leads to ubiquitination of VAV1 and its subsequent degradation via the proteasome. Unlike traditional protein inhibitors, CX16 does not rely on a classical binding pocket to induce target engagement, thereby enabling the targeted degradation of otherwise "undruggable" proteins such as VAV1.

In preclinical studies, CX16 demonstrated sub-nanomolar degradation potency (VAV1 DC_{50} <1 nM) with near-complete target degradation (D_{max} ~98%), broad suppression of human T- and B-cell functional responses, favorable ADMET properties, and a clean proteomic selectivity profile. Consistent immunomodulatory efficacy was observed across multiple autoimmune disease models. In the collagen-induced arthritis (CIA) model, CX16 significantly reduced arthritis scores, and in

the IBD model, treated animals showed substantial improvements in Disease Activity Index (DAI) scores. These findings support the broad anti-inflammatory and disease-modifying potential of CX16 across multiple autoimmune indications.

We expect to submit IND applications of CX16 for the treatment of rheumatoid arthritis, inflammatory bowel disease and multiple sclerosis in the first quarter of 2027.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET CX16 SUCCESSFULLY.

RESEARCH AND DEVELOPMENT

In-house R&D Team

Our key R&D team consists of Dr. Lyu Yubin (呂裕斌), Dr. Yin Jianming (殷建明), Ms. Lu Jian (盧建), Dr. Zheng Mei (鄭鵬) and Ms. Qing Yali (卿亞麗). For details of the experience and qualifications of Dr. Lyu, Dr. Yin, Ms. Lu, Dr. Zheng and Ms. Qing, see "Directors and Senior Management" and "Business — Our Strengths," as applicable.

Our R&D team has extensive expertise in target discovery, clinical operations, quality management, and medical affairs, supported by years of work in new drug development, and is further guided by our experienced management and experts with diversified backgrounds of our R&D team, who bring profound industry knowledge and leadership experience. As of the Latest Practicable Date, our in-house R&D team consisted of 72 members, of whom 34, or 47.2%, held a master's degree or above, including five with doctoral degrees and 29 with master's degrees. Our core R&D team members, particularly those involved in the development of our Core Products prior to and during the Track Record Period, have an average of approximately 20 years of relevant pharmaceutical industry experience.

We have established a comprehensive R&D management framework covering the full development lifecycle, from early-stage research and project initiation to proof of concept, process development, preclinical studies, and clinical trials, designed to optimize resource allocation, accelerate development timelines, and enhance the probability of success across our pipeline. During the Track Record Period and up to the Latest Practicable Date, substantially all key R&D personnel involved in the development of our Core Products, bezacitinib and CX1440, remained employed by us.

Our Platform

We have established two competitive, in-house drug discovery platforms: a highly selective small-molecule drug discovery platform and a molecular glue discovery platform.

Highly selective small-molecule drug discovery platform

We have developed a rational small-molecule drug discovery platform with high selectivity as its core design objective. The platform deeply integrates medicinal chemistry expertise, structural biology insights, and artificial-intelligence technologies to establish an AI-enabled structure-based drug design (SBDD) framework. Through this framework, molecular activity, target selectivity, pharmacokinetic properties, and safety profiles are optimized in a multi-parameter and forward-looking manner.

A key differentiating feature of this platform is its source-level control of off-target risk. By systematically analyzing structural differences among homologous proteins and leveraging predictive models, the platform enables precise optimization and validation of selectivity at the earliest stages of discovery. This approach allows us to significantly reduce off-target liabilities at the mechanistic level, thereby improving the safety potential of drug candidates.

Leveraging the platform's integrated capabilities, we have achieved meaningful progress across multiple development programs. Our core product, bezacitinib, a selective JAK2 inhibitor, demonstrates clearly differentiated inhibitory activity among JAK family members. This selectivity confers therapeutic advantages in JAK2-driven diseases such as PV, ET, and MF, while substantially reducing off-target toxicities commonly associated with non-selective JAK inhibition. These differentiated characteristics have translated into favorable efficacy and safety outcomes in clinical studies, validating the platform's effectiveness in developing high-selectivity small-molecule therapeutics.

Our second core product, CX1440, is a highly selective BTK inhibitor. Compared with first-generation BTK inhibitors, CX1440 exhibits markedly improved kinase selectivity in *in vitro* assays covering 15 kinases commonly associated with BTK inhibitor off-target activity, particularly within the HER, TEC, and SRC kinase families. Benefiting from its precise inhibition of BTK and minimal off-target activity, CX1440 has demonstrated a favorable safety profile in clinical studies, further underscoring the platform's capability to consistently generate low-risk, high-selectivity drug candidates.

Our highly selective small-molecule drug discovery platform covers all critical stages of early drug discovery, including protein structure prediction, binding-site identification, AI-enabled virtual screening, and ADMET property prediction: (1) protein structure prediction models efficiently generate three-dimensional target conformations to support structure-driven design; (2) binding-site identification accurately defines potential small-molecule interaction regions, forming the structural basis for selectivity optimization; (3) AI-enabled virtual screening combined with molecular docking is capable to rapidly identify candidates with high affinity and selectivity; and (4) ADMET prediction is embedded early in molecular design, enabling forward evaluation of metabolic stability and toxicity risks before synthesis.

These modules operate in an integrated "design-optimization-validation" closed loop, allowing us to enhance molecular potency while continuously refining selectivity and safety, thereby significantly reducing downstream development risk.

Innovative Molecular Glue Discovery Platform

In parallel, we have established a molecular glue discovery platform as a new approach to overcome the structural and mechanistic limitations of traditional small-molecule drugs. Built upon a forward-looking target-assessment framework and guided by a "chemistry-first" philosophy, the platform integrates rational design based on ternary complex, off-target effect prediction, and degrader-specific developability optimization into a unified, systematic strategy. This integrated approach enables molecular glue discovery to move beyond serendipitous screening toward predictable and designable development, while supporting the creation of candidates with innovative mechanisms of action. We have also established a multi-dimensional evaluation system covering degradation efficiency, selectivity, pharmacokinetics, and safety, forming a closed-loop workflow from design to evaluation to optimization.

Using this platform, we have successfully developed CX15, a covalent allosteric molecular glue that achieves selective target protein degradation through the combined mechanisms of covalent modification and allosteric regulation, as well as CX16, which induces cereblon (CRBN) to recognize neosubstrate, thereby expanding the mechanistic scope of molecular glue therapeutics. These advances demonstrate the platform's ability not only to efficiently advance molecular glue programs, such as CX16, which has entered the IND stage, but also to deliver innovation at the mechanistic level, providing new solutions for traditionally "undruggable" targets.

The core strength of our molecular glue platform lies in its focus on mechanism-driven discovery and rational design, addressing two fundamental limitations of conventional molecular glue approaches: restricted target space and limited degradation mechanisms. By systematically overcoming these barriers, the platform significantly expands the addressable landscape of previously undruggable targets. Key advantages of the platform include: (1) a mechanism-driven target-assessment framework integrating structural biology and protein-protein interaction data to ensure intrinsic developability from the outset; (2) a proprietary rational design strategy combining rational design based on ternary complex, off-target prediction, and degrader-specific property optimization; (3) a dedicated developability evaluation system enabling multi-parameter assessment of degradation efficiency and selectivity; and (4) a closed-loop iterative optimization process to continuously refine molecular properties.

Compared with conventional platforms that rely primarily on large-scale empirical screening, our highly integrated and rationalized approach enables the directed design of molecular glue candidates with balanced physicochemical properties and *in vivo* performance. The successful advancement of CX16 to the IND stage demonstrates the platform's efficiency in translating mechanistic innovation into clinical development and reinforces our differentiated technological leadership in this field.

Our R&D Facilities

Our R&D activities were primarily conducted in China. Our Hangzhou facility serves as the core of our research operations, housing our key technology platforms and state-of-the-art laboratories that support every stage of our drug discovery, preclinical research, and clinical development.

Our R&D Process

We focus our R&D efforts on oncology and autoimmune indications with significant unmet medical needs and market potential. Through integrated capabilities in preclinical research, pharmaceutical development and manufacturing, and clinical studies, we have built a pipeline comprising two clinical-stage candidates and five preclinical-stage candidates. The key steps of our R&D process are outlined below: (1) Target identification/validation and drug discovery. Our R&D process begins with the identification and selection of disease-related targets; (2) Preclinical research and translational medicine. during the preclinical stage, we leverage our small-molecule drug discovery platform to design and synthesize novel molecular entities, develop and optimize synthetic routes, produce samples for preclinical evaluation, and conduct in vitro and in vivo studies, including assessments of biological activity, pharmacokinetics and toxicity, to identify candidates suitable for clinical development; (3) Clinical development. upon entering the clinical stage, we further optimize manufacturing processes and formulations, establish quality standards and, through Phase I to Phase III trials, evaluate and confirm the safety, efficacy, dosage and therapeutic value of our drug candidates; and (4) CMC and quality management. upon obtaining marketing authorization, we will continue to fulfill our obligations as the MAH and support product promotion and commercialization.

Our Collaboration with CROs and SMOs

In line with industry best practices, we engage reputable Contract Research Organizations (CROs) and Site Management Organizations (SMOs) to support the management and execution of our preclinical studies and clinical trials. These partners are selected through a comprehensive evaluation process based on qualifications, technical expertise, experience, reputation, and cost-effectiveness, with each engagement tailored to the specific needs of the relevant project. Under our close supervision, CROs and SMOs provide services including clinical research coordinator (CRC) support, data management, and statistical analysis. During the Track Record Period, we collaborated with over 20 CROs and SMOs. In 2024 and 2025 and the six months ended June 30, 2026, we paid RMB17.2 million, RMB18.2 million and RMB8.6 million to our

collaborated CROs, and RMB3.1 million, RMB6.7 million and RMB2.4 million to our collaborated SMOs. Our clinical studies are overseen by our in-house clinical team responsible for clinical medicine, operations, and quality control, while SMOs provide CRC services at each clinical site and CROs support data management and statistical analysis. Prior to initiating new clinical projects, we define key project parameters and budgets and conduct qualification reviews and price negotiations with selected CROs and SMOs. Key terms of our agreements that we typically enter into with our CROs are set forth below:

Key terms	Description
Services	CROs and SMOs provide clinical trial-related services, including clinical research coordination, project management, site management, data management and statistical analysis services.
Term	The term of each agreement is generally project-specific, and the relevant CRO or SMO is required to complete the agreed services within the timeframe specified in the relevant work order, statement of work or service agreement.
Fees and Payment Terms	Service fees are determined based on the scope of services to be provided and are generally payable in stages in accordance with agreed milestones or payment schedules.
Intellectual Property Rights	We retain ownership of intellectual property rights arising from the services performed within the agreed scope of work.
Confidentiality	CROs and SMOs are subject to confidentiality obligations with respect to technical materials, research reports, clinical trial data and other confidential information obtained during the course of providing services. Such obligations generally survive the termination or expiration of the relevant agreement for a specified period or indefinitely.
Liability and Indemnification	Each party generally bears liability for losses arising from its breach of contract, negligence, wilful misconduct or violation of applicable laws and regulations, and indemnifies the other party against losses attributable to its own fault.

CMC AND MANUFACTURING

Our CMC Team

Our CMC team provides strong support on drug supply and pharmaceutical research throughout the drug development process. The team is mainly responsible for drug synthesis, formulation, and quality research, as well as for formulating project plans for the company's pharmaceutical R&D and advancing pharmaceutical development according to the plan. As of the Latest Practicable Date, our CMC team comprised 18 members.

Our CMC activities and capabilities

CMC refers to the activities that define the methods for manufacturing processes, product characteristics and testing, as well as product storage and release for clinical use, ensuring that a pharmaceutical product is safe, effective, and consistent across batches. Our CMC function is responsible for (i) API process development and optimization, including designing synthetic routes for preclinical candidates and refining manufacturing processes during clinical development to ensure reliable API supply; (ii) dosage form selection and formulation development, where we determine appropriate dosage forms, design formulations based on the physicochemical properties of each compound, and optimize manufacturing processes to meet batch size and quality requirements across preclinical, clinical, and commercial stages; and (iii) analytical method development and quality standard establishment, including developing and validating analytical methods for in-process control and release testing and setting material and product specifications to ensure consistent quality throughout the manufacturing lifecycle.

Our manufacturing facilities

At present, we do not own or operate manufacturing facilities and primarily rely on reputable CDMOs for the production of our clinical-stage products. We adopt a phased approach to commercial manufacturing to ensure our ability to meet market demand and maintain a stable supply following potential product launch. In the near term, we expect to continue collaborating with CDMOs for initial commercial-scale manufacturing. As our products progress toward commercialization, we plan to establish our own manufacturing facilities to gradually develop in-house production capabilities.

Our collaboration with CDMOs

During the Track Record Period, we outsourced the manufacture of active pharmaceutical ingredients (APIs) and drug products to industry-recognized CDMOs in China to support the preclinical studies and clinical trials of our drug candidates. For the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026, we incurred CDMO service fees of RMB4.1 million, RMB5.7 million and RMB5.6 million, respectively. For GMP production of clinical-stage products, we adopt the MAH model, under which qualified CDMOs with GMP certification manufacture clinical samples pursuant to production service agreements. We have entered into quality and contract manufacturing agreements with these partners to ensure product quality and regulatory compliance. We select CDMOs through a rigorous evaluation process based on qualifications, technical expertise, production capacity, geographic proximity, reputation, and cost-effectiveness. To ensure compliance and quality, we have established procedures to verify that each CDMO's qualifications, facilities, and manufacturing processes meet applicable regulatory requirements and our internal quality standards. Key terms of our agreements that we typically enter into with our CDMOs are set forth below:

Key terms	Description
Services	CDMOs provide process development, manufacturing, packaging, testing and other outsourced manufacturing services in accordance with agreed specifications, quality standards and timelines.
Quality Assurance and Quality Control	CDMOs are required to manufacture products in compliance with applicable GMP requirements, agreed quality standards and applicable regulatory requirements, and to provide quality documentation, including certificates of analysis and batch records where applicable.

Key terms	Description
Term	The term of each agreement is generally project-specific and may be extended upon mutual agreement of the parties.
Fees and Payment Terms	Fees are generally determined based on the scope of manufacturing services and are payable in stages upon the achievement of agreed deliverables or milestones.
Intellectual Property Rights	We retain ownership of product-related intellectual property rights and know-how arising from or relating to the outsourced manufacturing activities.
Confidentiality	CDMOs are subject to confidentiality obligations with respect to technical information, manufacturing processes, product specifications, research reports, clinical data and other confidential information obtained in connection with the services.
Liability and Indemnification	Each party generally bears liability for losses arising from its breach of contract, negligence, wilful misconduct or violation of applicable laws and regulations, and indemnifies the other party against losses attributable to its own fault.

QUALITY CONTROL AND ASSURANCE

We operate a comprehensive quality control system that spans all critical stages of our R&D and manufacturing processes. This system has been meticulously established and continuously refined in accordance with stringent regulations and guidelines in China, the United States, and Europe. As of June 30, 2026, we have built an experienced quality management team comprised eight members. Our quality management team ensures that the quality system encompasses all key stages of drug development, including R&D and manufacturing.

We have established comprehensive quality control and assurance procedures to ensure compliance with applicable regulatory requirements and our internal standards. We carefully select qualified suppliers and personnel and regularly audit CDMOs to verify that their processes, facilities, and equipment meet our quality and regulatory requirements. Our manufacturing processes incorporate robust in-process controls, while raw materials undergo stringent inspection and controlled storage supported by quarantine procedures and supplier qualification programs. Our quality control system is further supported by validated analytical methods to ensure reliable testing, and strict cleaning validation procedures are implemented in shared facilities to prevent cross-contamination.

COMMERCIALIZATION

We obtained marketing approval from the NMPA for bezacitinib for the treatment of MF in April 2026. Following such approval, and as our other pipeline drug candidates continue to advance through clinical development, we have been further developing our commercial planning and portfolio management capabilities. In anticipation of submitting NDAs for bezacitinib for PV and ET and CX1440 for ITP over the next few years, we plan to maximize the value of our product portfolio by further strengthening our in-house commercialization capabilities, facilitating the market launch of our Core Products, and establishing our formulation manufacturing base.

Over the next three years, we plan to further expand our marketing team to several hundred personnel. In particular, by the end of 2027, we plan to recruit approximately 100 sales and marketing personnel, targeting coverage of 300 leading hospitals in China. This sales and marketing team will be primarily responsible for marketing strategy, product positioning, market access, market penetration, promotional activities and patient support. We expect this team to work synergistically with our partners to facilitate effective market penetration and drive adoption of our products across key markets.

We plan to expand into major international markets for our Core Products by entering into licensing agreements with qualified partners, with a primary initial focus on China. Our comprehensive marketing strategy primarily based on self-operation, supplemented by cooperation with external organizations. Backed by favorable efficacy and safety data, long-acting advantages, and alignment with current clinical needs, bezacitinib and CX1440 have significant potential to be included in expert consensus and treatment guidelines, which will accelerate its adoption in hospitals. We will continue to focus on major cities and tertiary hospitals in China and establish academic leadership to increase the penetration of bezacitinib and CX1440 and other future drug candidates upon approval. Our commercialization strategy in the Chinese Mainland will initially focus on Guangdong, Beijing and Jiangsu, which we have identified as key launch markets given their concentration of medical resources and sizeable MPN patient populations. We intend to progressively expand our commercial coverage to other major provinces and municipalities, including Shanghai, Zhejiang, Shandong, Sichuan and Hubei, with a view to covering major MPN treatment centers nationwide.

In particular, our commercialization strategy in China is expected to focus on facilitating patient access to our Core Products through reimbursement coverage, hospital access, inclusion into clinical diagnostic guidance and academic promotion. Following regulatory approval, we intend to apply for inclusion of our Core Products in NRDL, subject to the applicable review and negotiation procedures, with the aim of improving affordability and accessibility of our Core Products for eligible patients. We also plan to seek inclusion of the Core Products in the formularies of major tertiary hospitals, hematology specialty hospitals and regional medical centers through the relevant hospital review and procurement processes. In addition, following the inclusion of bezacitinib as a recommended treatment for ET and MF in the clinical guidelines issued by the Chinese Society of Clinical Oncology (CSCO) on April 25, 2026, we intend to continue supporting the generation and dissemination of clinical evidence and engaging with healthcare professionals and the broader medical community to promote the evidence-based clinical adoption of our Core Products. To support market adoption following launch, and in compliance with applicable laws and regulations relating to pharmaceutical promotion, anti-bribery and industry compliance, we plan to conduct academic promotion activities, including national and regional academic conferences, departmental seminars and online educational programs, to communicate clinical data and product information to healthcare professionals.

We plan to implement an integrated commercialization strategy combining provincial-level channel development with hospital-based engagement to support the broad adoption of our products. We intend to establish regional offices and a coordinated hospital coverage network to strengthen market access and streamline product inclusion at key hospitals. In parallel, we will advance medical education and academic promotion through national and regional conferences, expert forums and evidence-based communication initiatives. To further reinforce clinical confidence and accelerate uptake, we will continuously generate real-world evidence (RWE) in collaboration with leading hospitals and academic institutions, enabling us to demonstrate the clinical value of our products in real-world settings and support ongoing market penetration efforts.

In determining the pricing strategy for our Core Products, we take into consideration a number of factors, including the competitive landscape, supply and demand dynamics and health economic analysis, potential reimbursement outcomes and expected budget impact, among others. We are currently transitioning from the research and development stage to the commercialization stage, and in the future aim to develop into an innovative biopharmaceutical company. We plan to formulate detailed pricing strategies for our Core Products as they progress towards commercialization. We intend to seek inclusion of our Core Products in the NRDL and other government-sponsored medical insurance programs at appropriate pricing levels following regulatory approval and commercial launch.

As of the Latest Practicable Date, our Core Products had not been included in the NRDL. Based on the general timetable of the annual NRDL adjustment process in recent years, the relevant process is typically initiated around July, followed by expert review around August to September, price negotiation around November, publication of the selected products around late November to early December, and implementation from January 1 of the following year. We have commenced cost-effectiveness analysis (CEA) and budget impact analysis (BIA) studies and expert review and consultation work to support future NRDL applications. According to Frost & Sullivan, from an industry perspective, inclusion in the NRDL is generally assessed based on factors such as clinical value, unmet medical needs, pharmacoeconomic evidence and budget impact. In practice, innovative therapies for hematologic diseases have demonstrated a pathway from regulatory approval to NRDL inclusion following price negotiation. For example, ruxolitinib, a JAK1/2 inhibitor indicated for MPNs including MF, was approved in China in 2017 and was subsequently included in the NRDL in 2019 following price negotiation. In light of such reimbursement precedents for therapies targeting similar indications and mechanisms of action, together with the differentiated efficacy and safety profiles demonstrated by our Core Products based on currently available clinical data, our Core Products may have a basis to be considered for NRDL inclusion upon approval, subject to regulatory review and negotiation outcomes. We currently expect to submit an NRDL application after product approval and participate in the annual NRDL price negotiation subject to regulatory approval and the progress of commercialization.

Potential NRDL inclusion may have a material impact on the pricing of our Core Products. Based on historical NRDL negotiation practice, successful inclusion in the NRDL may require significant price concessions, and the negotiated price would generally form a unified national medical insurance payment standard. Accordingly, in formulating our pricing strategy, we expect to take into account the anticipated NRDL negotiation framework, target reimbursement price, competitive landscape, pharmacoeconomic evidence and budget impact. Based on the clinical data generated to date, we believe our Core Products demonstrate differentiated efficacy and safety profiles, which may support their competitiveness in future reimbursement assessment. However, inclusion in the NRDL, CHIIDL or any other reimbursement or pricing scheme, as well as the timing, likelihood and pricing outcome of any such inclusion, are subject to review and determination by the relevant government authorities, and there can be no assurance that our products will be included on favorable terms or at all. We may also consider other pricing or market access arrangements, including other insurance reimbursement schemes or procurement programs, depending on the product profile, competitive landscape and applicable regulatory requirements at the relevant time.

OUR TECHNOLOGY TRANSFER ARRANGEMENTS

Technology Transfer Agreements with Guangliang and Hangzhou Sanyintai Pharmaceutical Technology Co., Ltd.

In June 2020, we entered into two technology transfer agreements, one with Guangliang in relation to bezacitinib and the other with Hangzhou Sanyintai Pharmaceutical Technology Co., Ltd. (杭州三因泰醫藥科技有限公司, "Sanyintai") in relation to CX1440. Pursuant to these agreements, the respective transferors agreed to transfer to us all patent rights they own relating to bezacitinib and CX1440, respectively, together with the related technical packages, including pre-clinical

research and development materials, clinical trial application and approval materials, clinical trial approval notices and other government approval documents, patent certificates and supporting documents generated in the course of development. The total consideration for the bezacitinib transfer was RMB10.5 million, payable in two instalments, comprising RMB2.1 million within six months after the agreement became effective and RMB8.4 million within 30 working days upon completion of the clinical trial approval, patent assignment registration and handover of the relevant technical materials, both of which were fully paid in November 2020 and January 2021, respectively. The total consideration for the CX1440 transfer was RMB9.0 million, payable in two instalments, comprising RMB1.8 million within six months after the agreement became effective and RMB7.2 million within 30 working days upon completion of the clinical trial approval, patent assignment registration and handover of the relevant technical materials, both of which were fully paid in November 2020 and January 2021, respectively. In addition, each of the technology transfer agreements provides that it may only be terminated in the event of force majeure or by mutual agreement of the parties. The agreements further provide that any dispute arising from or in connection with the performance of the agreements shall first be resolved through consultation or mediation, and if such consultation or mediation fails, the dispute shall be submitted to the Hangzhou Arbitration Commission for arbitration.

Agreement with Aojin Bio and Dr. Yin regarding bezacitinib and CX1440

In December 2022, we, Aojin Bio and Dr. Yin entered into an agreement in relation to bezacitinib and CX1440, pursuant to which Aojin Bio and Dr. Yin irrevocably agreed to waive and transfer to the Company, without consideration, the remaining 50% of the patent rights relating to bezacitinib and CX1440 outside China. In addition, the parties confirmed that, from the effective date of the agreement, we shall exclusively own the relevant technologies and all derivative rights arising therefrom, and neither Aojin Bio nor Dr. Yin may, without the Company's prior consent, conduct any further research and development or extended development based on these drug candidates. The parties also confirmed that they had no dispute in respect of the Company's prior use of the relevant technologies, and that Aojin Bio and Dr. Yin would assist the Company in completing the relevant patent ownership and application changes, where applicable. The agreement became effective on December 5, 2022.

For further details regarding the technology transfer of bezacitinib and CX1440, please refer to "Business — Intellectual Property".

INTELLECTUAL PROPERTY

We have a global portfolio of patents to protect our drug candidates and technologies. As of the Latest Practicable Date, we owned (i) 18 issued patents in China, (ii) two issued patents in the U.S., (iii) eight issued patents in other jurisdictions, and (iv) 22 patent applications, including 14 in China, three under the PCT, and five in other jurisdictions. As of the Latest Practicable Date, with respect to our two Core Products, bezacitinib and CX1440, we had three issued patents in the PRC, two issued patents in the U.S., and eight issued patents in other jurisdictions, as well as three pending patent applications in the PRC. Specifically:

- ***Bezacitinib.*** As of the Latest Practicable Date, we owned two issued patents in the PRC relating to bezacitinib, which are expected to expire on January 25, 2037 and October 29, 2041, separately; we had two pending patent applications relating to bezacitinib in the PRC. The patents that may be issued from the currently pending patent application are expected to expire within the period from December 28, 2041 to December 31, 2044, without taking into account any possible patent term adjustments or extensions and assuming payment of all appropriate maintenance, renewal, annuity and other government fees will be timely made.

- ***CX1440.*** As of the Latest Practicable Date, we owned one issued patent in the PRC relating to CX1440, which are expected to expire on June 30, 2037; we had one pending patent application relating to CX1440 in the PRC. The patent that may be issued from the currently pending patent application are expected to expire on February 23, 2042, without taking into account any possible patent term adjustments or extensions and assuming payment of all appropriate maintenance, renewal, annuity and other government fees will be timely made.

The following table summarizes the details of the material granted patents and patent applications related to our Core Products as of the Latest Practicable Date.

Drug Candidate*	Title of Invention	Publication Number	Patent Holder/ Applicant	Jurisdiction	Application Date	Status	Estimated Expiration Date**
Bezacitinib . . .	Pyrrolopyrimidine five-membered azacyclic derivatives and application thereof	CN106905322A	The Company	CN	2017-01-25	Granted	2037-01-25
Bezacitinib . . .	Pyrrolopyrimidine five-membered azacyclic derivatives and application thereof	US20190040068A1	The Company	US	2017-01-25	Granted	2037-01-25
Bezacitinib . . .	Pyrrolopyrimidine five-membered azacyclic derivatives and application thereof	JP2019503395A	The Company	JP	2017-01-25	Granted	2037-01-25
Bezacitinib . . .	Pyrrolo pyrimidine five-membered nitrogen heterocyclic derivatives and use thereof	EP3409673A1	The Company, Yin Jianming	EP***	2017-01-25	Granted	2037-01-25
Bezacitinib . . .	Crystalline forms of pyrrolopyrimidine five-membered azacyclic compounds	CN114437079A	The Company	CN	2021-10-29	Granted	2041-10-29
Bezacitinib . . .	Compounds useful in the treatment of lupus erythematosus	CN114681461A	The Company	CN	2021-12-28	Pending	N.A.
Bezacitinib . . .	Compounds for the prevention and treatment of diabetes	N.A.	The Company	CN	2024-12-31	Pending	N.A.
CX1440	Imidazopyrazinamine phenyl derivative and use thereof	CN107556317A	The Company	CN	2017-06-30	Granted	2037-06-30
CX1440	Imidazopyrazinamine phenyl derivative and use thereof	US20190211023A1	The Company	US	2017-06-29	Granted	2037-06-29
CX1440	Imidazopyrazinamine phenyl derivative and use thereof	EP3480199A1	Hangzhou Bangshun Pharmaceutical Co., Ltd; Yin, Jianming	EP***	2017-06-29	Granted	2037-06-29
CX1440	Imidazopyrazinamine phenyl derivative and use thereof	AU2017287553A1	Hangzhou Bangshun Pharmaceutical Co., Ltd; Yin, Jianming	AU***	2017-06-29	Granted	2037-06-29

Drug Candidate*	Title of Invention	Publication Number	Patent Holder/ Applicant	Jurisdiction	Application Date	Status	Estimated Expiration Date**
CX1440	Imidazopyrazinamine phenyl derivative and use thereof	CA3032795A1	Hangzhou Bangshun Pharmaceutical Co., Ltd; Yin, Jianming	CA***	2017-06-29	Granted	2037-06-29
CX1440	Imidazopyrazinamine phenyl derivative and use thereof	JP2019524699A	The Company	JP	2017-06-29	Granted	2037-06-29
CX1440	Imidazopyrazinamine phenyl derivative and use thereof	KR1020190033538A	Hangzhou Bangshun Pharmaceutical Co., Ltd; Yin, Jianming	KR***	2017-06-29	Granted	2037-06-29
CX1440	Imidazopyrazinamine phenyl derivative and use thereof	HK40004090A	The Company	HK	2017-06-29	Granted	2037-06-29
CX1440	Compounds useful in the treatment of demyelinating disorders of the central nervous system	CN114984017A	The Company	CN	2022-02-23	Pending	N.A.

Note:

* The patent rights related to our Core Products, bezacitinib and CX1440, were acquired through assignments in June 2020 from (i) Guangliang and Sanyintai, each an entity controlled by the Research Institute, and together with its controlled entities, the "**Research Institute Group**") and (ii) Aojin Bio.

The Research Institute is owned as to 95% by Hangzhou Huasheng Pharmaceutical Group Co., Ltd. (杭州華昇醫藥集團有限公司), which is wholly owned by Hangzhou Wanyuhe and ultimately controlled by Mr. Li Bangliang. It is principally engaged in generic drug CRO services in metabolic disorders, cancer and autoimmune diseases, and had briefly explored innovative drug development outside its principal generic drug business, which led to the co-development with Aojin Bio that resulted in the discovery of bezacitinib and CX1440. Dr. Lyu, currently our executive Director and general manager, served as the director and general manager of the Research Institute from March 2009 to July 2020, after which he departed and established our Company. Dr. Lyu also indirectly holds a 0.2% equity interest in the Research Institute.

Guangliang and Sanyintai were established to hold and develop intellectual property rights relating to innovative drug candidates in cancer and autoimmune diseases transferred from the Research Institute, and are both controlled by the Research Institute through nominee shareholding arrangements. The nominee arrangements were adopted to minimize any potential misunderstanding among the Research Institute's existing clients regarding its continued focus on its principal generic drug CRO business that could arise from its direct holding, and were at all times capable of being unwound. Upon the establishment of Guangliang, Dr. Lyu held a 4% equity interest in Guangliang through a family member as nominee, which was later unwound and is now directly held by Dr. Lyu. In Sanyintai, Dr. Lyu holds a 5% equity interest and Ms. Lu Jian holds a 1% equity interest, each through a family member as nominee. Through such shareholding arrangement, the Research Institute and the innovative drug development team leaders can share both the risks and potential rewards of the innovative drug development.

Aojin Bio was wholly owned by Dr. Yin Jianming, currently our Chief Scientific Officer, and was principally engaged in innovative drug development in areas of cancer and autoimmune diseases. Dr. Yin does not directly hold any equity interest in the Company and is not deemed to be interested in any shares of the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO. Dr. Yin holds approximately 14.88% of the registered capital of Hangzhou Jiuyin, which in turn holds 27.76% of the shares of the Company.

In April 2015 and February 2017, the Research Institute and Aojin Bio entered into co-development agreements to jointly develop innovative drug candidates. Pursuant to these co-development agreements, several molecules were developed by 2017, including bezacitinib and CX1440. Pursuant to the agreements, the Research Institute was entitled to 100% of the patent rights in China and 50% of the patent rights outside China, while Aojin Bio was entitled to the remaining 50% of the patent rights outside China. The discovery of Bezacitinib and CX1440 was led by Dr. Lyu and Dr. Yin (together, the "**Principal Inventors**") during their respective tenures at the Research Institute Group and Aojin Bio. In February 2018 and December 2018, the Research Institute entered into technology transfer agreements with Guangliang and Sanyintai, respectively, pursuant to which the Research Institute assigned all of its rights relating to bezacitinib and CX1440 (in each case, comprising 100% of the rights in China and 50% of the rights outside China) to Guangliang and Sanyintai, respectively. As at the time of these transfers from the Research Institute to Guangliang and Sanyintai, bezacitinib was at the preclinical stage, with no IND application having been filed, while CX1440 was at the IND-enabling stage. Prior to these transfers, the Research Institute had, in collaboration with Aojin Bio, conducted preclinical molecular discovery and preliminary preclinical studies for both Core Products.

In June 2020, we entered into technology transfer agreements to acquire the 100% patent rights in China and 50% of the patent rights outside China related to our Core Products from Guangliang and Sanyintai on arm's length terms. As at the time of these transfers from Guangliang and Sanyintai to us, in respect of bezacitinib, the Phase I trial had been completed and the Phase Ib/II trial had not yet commenced, while in respect of CX1440, IND approval had been obtained but no clinical trial had yet commenced. Prior to these transfers, in respect of bezacitinib, the Research Institute Group had completed the IND-enabling studies for the RA indication, filed the IND application, obtained IND approval and completed a Phase I clinical trial in healthy volunteers; it had also filed the IND application for the MPN indications, including MF, PV and ET, which was filed before, but approved after, these transfers. In respect of CX1440, the Research Institute Group had completed the IND-enabling studies, filed the IND application and obtained IND approval. The Research Institute Group decided to transfer its patent rights related to bezacitinib and CX1440 to us, in order to focus on its generic drug business and to recover its research and development costs on such early-stage assets which bore inherent development risks. The Research Institute Group has since fully focused on generic drug development following such transfers. When the Research Institute resolved to discontinue its innovative drug business and refocus on its principal generic drug operations, Dr. Lyu, who remained of the view that certain assets including bezcitinib and CX1440 held significant clinical and commercial potential, decided to redirect his career towards innovative drug development. Dr. Lyu therefore established the Company together with Mr. Li and departed from the Research Institute, to pursue the continued development and commercialization of the Core Products. At the time of the June 2020 transfers, given the Core Products' early development stage, our focus on clinical development in China and the absence of finalized overseas plans, we did not consider it necessary to acquire Aojin Bio's remaining 50% interest in the patent rights outside China. The existing arrangement did not adversely affect our operations or China-focused development. As our clinical programs advanced and global plans became clearer, we acquired the remaining interest in December 2022 to facilitate global development and commercialization. In December 2022, Aojin Bio, Dr. Yin Jianming, and our Company entered into an agreement pursuant to which the remaining 50% of the patent rights outside China were transferred to our Company for nil consideration, and Dr. Yin waived all of his related rights. As at the time of this transfer, we had, in respect of bezacitinib, independently completed the MF cohort of the Phase Ib/II trial, with the Phase II/III trial for MF then ongoing; and, in respect of CX1440, independently completed the Phase I clinical trial and was preparing to commence the Phase Ib/II trial. Dr. Yin, who serves as both our indirect shareholder and Chief Scientific Officer, agreed to transfer all overseas rights and waive all related rights held by Aojin Bio on a nil consideration basis, as his economic interests in the future success of the Core Products could be adequately aligned through his equity participation in our Company.

Following the completion of the technology transfers in June 2020, the Research Institute Group ceased all innovative drug development activities and has since focused exclusively on its principal generic drug business. Prior to the transfers to us, the IND applicants and holders were Guangliang and Aojin Bio for bezacitinib, and Sanyintai and Aojin Bio for CX1440. The IND approvals for both bezacitinib and CX1440 were transferred to our Company in full in accordance with the terms of the respective technology transfer agreements in June 2020, and such transfers took legal effect from the effective date of the relevant agreements. We have also completed the IND transfer registration with the NMPA in August 2020. Thus, upon these transfers in June 2020, we became the IND holder of each Core Product. We have since actually been the sole clinical trial sponsor for all clinical trials of the Core Products, and independently conducted and completed the clinical trials. None of Guangliang, Sanyintai or Aojin Bio acts as a sponsor of any such trial. As the trial sponsor, we have been responsible for, among other things, the design, initiation, management, financing and overall conduct of the clinical trials, including all communications with the CDE. Neither the Research Institute Group nor Aojin Bio in fact bears any of the foregoing roles or responsibilities. We have full control over the research and development of each of the Core Products, including full discretion to determine the design, strategic direction and all other aspects of the clinical trials. We will be the marketing authorisation holder for each of the Core Products, as exemplified by bezacitinib, which was recently approved and in respect of which we are the sole marketing authorisation holder.

As shown on the public clinical trial disclosure platform in China (www.chinadrugtrials.org.cn), the Research Institute Group (namely Guangliang and Sanyintai) and Aojin Bio are each still shown as a co-sponsor of certain relevant clinical trials. The Research Institute Group continues to be so shown because, under the current administrative practice, the sponsor recorded on the platform does not automatically change to follow changes in the holder of the IND approval. Aojin Bio continues to be so shown because, our Company agreed to name it as a co-sponsor in accordance with the relevant contractual arrangements. However, neither the Research Institute Group nor Aojin Bio is an actual sponsor of the clinical trials, and neither has participated in, or funded, any clinical trial. Guangliang and Sanyintai have also ceased all business operations since then. Aojin Bio has ceased all business operations since Dr. Yin's joining our Company in 2020. Guangliang, Sanyintai and Aojin Bio are expected to be deregistered in the near term. None of the Research Institute, Aojin Bio, Sanyintai and Guangliang has been involved in any material non-compliance incident during the periods relevant to the Technology Transfers or at any time thereafter up to the Latest Practicable Date.

All consideration payable under these agreements has been duly paid and supported by independent third-party valuation analyses. The consideration for each of these transfers was determined through arm's length negotiations, supported by the respective independent valuation reports. Each valuation adopted the cost approach using the replacement cost method, under which the value of an asset is estimated as the current cost of recreating or replacing that asset at the valuation date, less deductions for functional and economic obsolescence. The cost approach was selected over the income approach and the market approach because (i) the historical R&D expenditure records for the relevant products were clearly documented and the relevant cost parameters were obtainable through publicly available data; and (ii) at the time of transfer, the products were at an early development stage, such that their future economic benefits could not be reliably predicted. The resulting considerations fall within the typical pricing range for early-development-stage patent transfers in the oncology and autoimmune disease fields, according to Frost & Sullivan.

Registrations of patent holder changes in all major jurisdictions material to the Company, including China and the U.S., have been completed. In respect of the patent assignment registrations in China, (i) for bezacitinib, the transfer from the Research Institute to Guangliang was registered on August 7, 2020, and the transfer from Guangliang to our Company was registered in October 2020; and (ii) for CX1440, the transfer from the Research Institute to Sanyintai was registered in July 2019, and the transfer from Sanyintai to our Company was registered in September 2020. These CNIPA registration dates are generally later than the dates of the respective transfer agreements, reflecting the administrative processing time required to complete the registration.

We currently wholly own all rights to patents and patent applications related to bezacitinib and CX1440, including all patent families, in all of these major jurisdictions. Our legal adviser as to intellectual property, Hiways Law Firm, is of opinion that, following the proper transfer of the relevant intellectual property rights, we retain independent rights, control and ownership of each of the Core Products across all indications and major jurisdictions. In certain less important jurisdictions, the registration process remains ongoing due to time-consuming administrative procedures. Our legal adviser as to intellectual property confirms that there are no expected impediments to the completion of such registrations. Following the acquisition of the patent rights related to our Core Products in China in June 2020, we have made significant progress in the clinical development. For bezacitinib, we commenced Phase Ib/II clinical trials in November 2020 and have since completed Phase Ib/II trial in MF in May 2021, and Phase II/III trial in MF by November 2023. For CX1440, we commenced a Phase I clinical trial in healthy adult volunteers in November 2021, completed such trial in March 2022, and subsequently commenced and completed a Phase Ib/II trial by March 2025.

The Principal Inventors have held our key management or R&D positions and served as important leaders of our R&D team since our Company's inception. Other key R&D team members involved in the discovery and preclinical development of our Core Products are also currently with our Company. The other relevant team members include (i) Dr. Zheng Mei, our Deputy General Manager. Dr. Zheng is responsible for the design and management of the preclinical development programs for the Company's Core Products; (ii) Ms. Huang Xuehui, our Chief Chemistry Officer. Ms. Huang holds a master's degree in Chemistry from Zhejiang University. She is responsible for pharmaceutical research during the preclinical stage of bezacitinib and CX1440, including synthesis and formulation process development, as well as quality standards and analytical method development; (iii) Ms. Zhuge Dingjuan, our Senior Director of Innovative Drug Pharmacology Evaluation. Ms. Zhuge holds a master's degree in Pharmacology. She is responsible for non-clinical pharmacology and toxicology studies for the bezacitinib program; (iv) Ms. Jiang Shanling, our Director of Innovative Drug Pharmacology Evaluation. Ms. Jiang holds a master's degree in Pharmacology. She is responsible for non-clinical pharmacology and toxicology studies for the CX1440 program; (v) Mr. Liu Ke, our R&D Director of the CMC Center. Mr. Liu holds a doctoral degree in Pharmacognosy from China Pharmaceutical University. He is responsible for drug analytical method development and quality standard development for the bezacitinib and CX1440 programs during the preclinical stage; (vi) Mr. Chen Nanyu, our R&D Manager of Drug Discovery. Mr. Chen holds a master's degree in Chemical Engineering. He is responsible for synthesis process development and sample preparation for the bezacitinib program during the preclinical stage; and (vii) Ms. Zhao Mengjia, our Formulation Department Manager. Ms. Zhao holds a master's degree in Pharmaceutics. She is responsible for formulation research, prescription development and sample preparation for the bezacitinib and CX1440 programs during the preclinical stage. Accordingly, we believe our Company possesses the full capability and necessary know-how for the continued research and development of our Core Products.

** Patent expiration date does not include any applicable patent term extensions.

*** As at the Latest Practicable Date, the registration of the transfer of the patent rights of the Core Products had been completed in most jurisdictions outside the PRC, the United States and Japan, including Australia, South Korea, Germany, the United Kingdom, Canada and France. For the remaining jurisdictions, namely Italy and Spain, the transfer is expected to be completed by the fourth quarter of 2026. Dr. Yin remains recorded as a co-owner of certain patent rights of the Core Products in certain jurisdictions solely because those patents are registered in jurisdictions outside the PRC, for which the registration of the transfer is pending completion as described above.

The grant of our pending patent applications is not a prerequisite for our future R&D or commercial activities. We believe that we will still be able to commercialize our Core Product in China and the U.S. even if certain patent applications are not granted, and therefore the pending status of these applications is not expected to prevent commercialization. The protection afforded by a patent varies depending on the scope of its claims and the jurisdiction, and is influenced by factors such as patent type, coverage, potential term extensions, available legal remedies, and the validity and enforceability of the patent. We cannot assure that any of our pending or future patent applications will be granted, or that any issued patents will effectively protect our drug candidates or manufacturing methods. See "Risk Factors — Risks Relating to Our Intellectual Property Rights" for further details.

As advised by our PRC Legal Adviser, based on its review of our R&D, clinical trial, CRO/SMO/CDMO, commercialisation-related agreements, intellectual property documents and relevant regulatory filings/approvals, our Group has full and independent control over the R&D and commercialisation of our Core Products in the PRC.

Moreover, based on the results of the Freedom-to-Operate ("FTO") analysis, our IP Legal Adviser and Directors are of the opinion that, in relation to the chemical molecular structures currently being developed for our Core Products, no third-party patents exist in the PRC or the U.S. that would reasonably be expected to impede the commercialization of such products, and that we have not infringed any valid and enforceable patents or other intellectual property rights of any third party.

We conduct our business under the brand name "Biosun" ("邦顺藥業"). As of the Latest Practicable Date, we had (i) 12 registered trademarks in the PRC, and (ii) one trademark application in Hong Kong. We are also the registered owner of one domain name. During the Track Record Period and up to the Latest Practicable Date, (i) we were not involved in any legal, arbitral or administrative proceedings in respect of, nor had we received notice of any material claims of infringement, misappropriation or other violations of third-party intellectual property; and (ii) we were not involved in any proceedings in respect of any intellectual property rights that may be threatened or pending and that may have an influence on the research and development for any of our drug candidates in which we may be a claimant or a respondent.

DATA PRIVACY AND PROTECTION

We routinely receive, collect, generate, store, process, transmit and maintain medical data, treatment records and other personal details of the subjects enrolled in our clinical trials. During our clinical development activities, we primarily collect and process data generated from subjects participating in our clinical trials, including outpatient medical records, medical imaging results and laboratory test results relating to biological samples. Such data are de-identified and, upon the relevant subjects' informed consent, entered into our EDC system solely for analysis and clinical trial management purposes. The EDC database is stored on network servers provided by a third-party vendor and maintained by its data management team. All such data are owned by us, and any use, processing, transfer or deletion of such data is subject to our authorization. As such, we are subject to laws, administrative regulations, departmental rules and relevant standards that apply to the collection, use, retention, protection, disclosure, transfer and other processing of personal data in the various jurisdictions in which we operate and conduct our clinical trials, as well as contractual obligations.

We have established and implemented comprehensive internal control policies and procedures to safeguard data security and ensure that the collection, use, storage and processing of medical and other business data comply with applicable laws and prevailing industry practices. These policies include a detailed data management plan tailored to each clinical project. Our Operations Management Center, through its IT Manager, is responsible for formulating and maintaining key internal policies, such as Management of Clinical Trial Data, Information Data Backup and Recovery Management System, Enterprise Information Security Management System, Standard Operating Procedures for Access and Ongoing Assessment of Third-Party Suppliers, Data Security Emergency Response Plan and other relevant documents. These policies and procedures set out clear requirements on organizational roles and responsibilities, backup strategies, operational procedures, data management, recovery mechanisms, and supervision and inspection.Our corporate data includes business data relating to research and development, production, sales and finance stored in the databases of our information systems, as well as decentralized electronic documents stored on office computers and portable storage devices. We classify our data into four levels based on factors such as data value, sensitivity of content, scope of impact and distribution range, namely Public-external, Public-internal, General Commercial Confidential, Core Commercial Confidential, and the department responsible for each category of data serves as the data owner for such data. In our clinical trials and operations, the collection of personal data is primarily conducted by hospitals. Subjects enrolled in our clinical trials are anonymized through assigned subject numbers, and any datasets transferred to us are identified only by such subject numbers rather than the individuals' actual identities. As a result, we do not have access to patients' personally identifiable information, such as their names, identity card numbers, phone numbers or home addresses.

Furthermore, we require all internal employees, as well as hospitals and third-party contractors such as CROs involved in our clinical trials, to adhere to strict confidentiality obligations. Compliance with Good Clinical Practice ("GCP") and relevant rules ensures that only approved personnel can access clinical trial data. Data utilization is strictly confined to the use consented to by the patients, which is in line with the Informed Consent Form ("ICF"). We ensure to obtain further consent from patients for any data usage that extends beyond the ICF's scope. We also conduct regular training to ensure compliance with these standards, reinforcing our commitment to maintaining the highest levels of data security and patient confidentiality. This comprehensive approach not only fulfills regulatory requirements but also fosters trust among participants and stakeholders engaged in our clinical processes. During the Track Record Period and up to the Latest Practicable Date, we did not experience any incident of data leakage or material data losses.

We have a number of ongoing or planned clinical studies in China. Any data transfer related to our product development initiatives and regulatory communications must adhere to relevant local data protection and privacy laws. Accordingly, we have implemented a series of control measures and structures. Despite the evolving nature of these laws and our potential clinical trials, we have not encountered significant issues with data transfers so far. We believe our practices related to transferring clinical trial data conform to industry standards. During the Track Record Period and up to the Latest Practicable Date, we had not engaged in any cross-border transmission of personal information or important data from the PRC to overseas jurisdictions, or vice versa. During the Track Record Period and up to the Latest Practicable Date, we had complied with laws and regulations related to data security and privacy with our products, services and operations in all material aspects, and we had neither incurred any related administrative penalties nor received any related administrative inquiry notice. Our legal advisor as to data compliance law of the PRC, Allbright Law Offices, is of the view that, during the Track Record Period and up to the Latest Practicable Date, we had complied with all applicable laws and regulations concerning data privacy, cybersecurity and data security in the PRC during the Track Record Period and up to the Latest Practicable Date in view that we had not incurred any administrative penalties related to data security, cybersecurity and data privacy. For more details of laws and regulations regarding data privacy and protection, please see the section headed "Regulatory Overview — Overview of Laws and Regulations in the PRC — Other Significant PRC Regulations Affecting Our Business Activities in the PRC — Regulations Relating to Information Security and Data Privacy."

SUPPLIERS AND PROCUREMENT

During the Track Record Period, our suppliers primarily consisted of laboratory equipment, reagents, consumables and maintenance and repair services, and technical equipment and service providers. Purchases from our five largest suppliers for the years ended December 31, 2024 and 2025 and June 30, 2026 were RMB7.2 million, RMB12.7 million and RMB9.4 million, respectively, representing 23.5%, 28.5% and 35.7% of our total purchases for the same periods. Purchases from our single largest supplier for the years ended December 31, 2024 and 2025 and June 30, 2026 were RMB1.9 million, RMB4.8 million and RMB2.7 million, respectively, representing 6.1%, 10.7% and 10.1% of our total purchases for the same periods. Our supplier selection process primarily considers the following factors: supplier qualifications, quality, cost, industry reputation, and compliance with mutually agreed delivery standards and methods. We maintain stable partnerships with key suppliers. During the Track Record Period, we have not experienced major disputes, encountered difficulties in procuring raw materials or services, faced operational disruptions due to shortages or delayed supplies, or experienced significant price fluctuations for raw materials or services. The following table sets forth details of our five largest suppliers during the Track Record Period:

Supplier	Supplier background	Service purchased	Credit periods	Payment method	Length of business relationship	Purchase amount	% of total purchases
						(RMB'000)	
For the year ended December 31, 2024							
Supplier A	A company incorporated in 2015 in China primarily engaged in R&D manufacturing and sales of medical device	R&D services	Within 5 days	Bank transfer	Since 2023	1,888.0	6.1%
Supplier B	A company incorporated in 2010 in China primarily providing research services	R&D services	Within 30 days	Bank transfer	Since 2022	1,600.0	5.2%
Supplier C	A company incorporated in 2006 in China primarily providing CRO services, listed on the Shenzhen Stock Exchange	R&D and manufacturing services	Within 60 days	Bank transfer	Since 2022	1,475.0	4.8%
Supplier D	A company incorporated in 2011 in China primarily providing research services	R&D services	Within 30 days	Bank transfer	Since 2021	1,187.0	3.9%
Supplier E	A company incorporated in 2000 in China primarily providing CRO services, listed on both the Stock Exchange and the Shanghai Stock Exchange	R&D and manufacturing services	Within 30 Days	Bank transfer	Since 2020	1,069.0	3.5%
Total						**7,219.0**	**23.5%**
For the year ended December 31, 2025							
Supplier C	A company incorporated in 2006 in China primarily providing CRO services, listed on the Shenzhen Stock Exchange	R&D and manufacturing services	Within 60 days	Bank transfer	Since 2022	4,759	10.7%
Supplier E	A company incorporated in 2000 in China primarily providing CRO services, listed on both the Stock Exchange and the Shanghai Stock Exchange	R&D and manufacturing services	Within 30 days	Bank transfer	Since 2020	2,622	5.9%
Supplier F	A company incorporated in 2023 in China primarily providing research services	R&D services	Within 30 days	Bank transfer	Since 2025	1,800	4.0%
Supplier D	A company incorporated in 2011 in China primarily providing research services	R&D services	Within 30 days	Bank transfer	Since 2021	1,799	4.0%
Supplier G	A company incorporated in 1998 in China primarily providing research services.	R&D services	Within 10 days	Bank transfer	Since 2021	1,745	3.9%
Total						**12,725**	**28.5%**

Supplier	Supplier background	Service purchased	Credit periods	Payment method	Length of business relationship	Purchase amount	% of total purchases
						(RMB'000)	
For the six months ended June 30, 2026							
Supplier C	A company incorporated in 2006 in China primarily providing CRO services, listed on the Shenzhen Stock Exchange	R&D and manufacturing services	Within 60 days	Bank transfer	Since 2022	2,656	10.1%
Supplier H	A company incorporated in 2011 in China primarily providing SMO services, a wholly owned subsidiary of a listed company on the Shenzhen Stock Exchange	R&D services	Within 30-60 days	Bank transfer	Since 2024	2,460	9.4%
Supplier B	A company incorporated in 2010 in China primarily providing research services	R&D services	Within 30 days	Bank transfer	Since 2022	1,600	6.1%
Supplier D	A company incorporated in 2011 in China primarily providing research services	R&D services	Within 30 days	Bank transfer	Since 2021	1,346	5.1%
Supplier E	A company incorporated in 2000 in China primarily providing CRO services, listed on both the Stock Exchange and the Shanghai Stock Exchange	R&D and manufacturing services	Within 30 days	Bank transfer	Since 2020	1,326	5.0%
Total						**9,388**	**35.7%**

To monitor the quality of supplies, we implement rigorous supplier qualification and selection standards. We verify the qualifications, licenses and permits of our suppliers each time before entering into procurement agreements. For suppliers of raw materials and key equipment, we also conduct rigorous audits prior to procurement. We maintain a list of qualified key suppliers, which is subject to regular review and update. To the best of our knowledge, (i) all of our five largest suppliers for each 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 for each period during the Track Record Period.

CUSTOMER

During the Track Record Period, our revenue was primarily derived from technology transfer related to a preclinical program. Revenue from the technology transfer is recognized at the point in time when control of the services is transferred to the customer, generally when the performance obligation is satisfied. For further details, see "Financial Information — Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income — Revenue." During the Track Record Period, we had only one customer. For the years ended December 31, 2024 and 2025 and for the six months ended June 30, 2026, revenue generated from this customer for each period amounted to RMB0.9 million, RMB0.5 million and nil, representing approximately 100.0%, 100.0% and nil of our total revenue for the same period, respectively. The following table sets forth details of our customer during the Track Record Period:

Customer	Customer background	Product sold	Credit periods	Payment method	Length of business relationship	Revenue contribution	% of total revenue
						(RMB'000)	
For the year ended December 31, 2024							
Customer A. . . .	A company incorporated in 2020 in China primarily engaged in R&D manufacturing, with a registered capital of RMB50 million	Technology transfer	Within 15 days	Bank transfer	Since 2024	943.0	100.0%
Total . . .						**943.0**	**100.0%**
For the year ended December 31, 2025							
Customer A. . . .	A company incorporated in 2020 in China primarily engaged in R&D manufacturing, with a registered capital of RMB50 million	Technology transfer	Within 15 days	Bank transfer	Since 2024	509.0	100.0%
Total . . .						**509.0**	**100.0%**

To the best of our knowledge, (i) all of our five largest customers for each 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 customers for each period during the Track Record Period.

COMPETITION

The biopharmaceutical market is dynamic and highly competitive. While we believe our R&D capabilities position us favorably, we face competition from international and domestic biopharmaceutical companies, specialty pharmaceutical and biotechnology firms, as well as academic and research institutions. Key competitive factors include the efficacy and safety of drug candidates, manufacturing efficiency, and commercialization capabilities. Competition is expected to intensify as additional players enter the market, and any products we develop will compete with existing and future therapies. For insights into the potential impact of market competition, please see "Risk Factors — Key Risks Relating to Our Business, Business Operations, Intellectual Property Rights and Financial Prospects — We face substantial competition and our competitors may discover, develop or commercialize competing drugs faster or more successfully than we do."

EMPLOYEES

As of the Latest Practicable Date, we had a total of 156 full-time employees, all of whom were based in China. The following table sets forth a breakdown of our employees categorized by function as of the Latest Practicable Date:

Function	Number	Percentage
Research and development	72	46.2%
Sales and Marketing	57	36.5%
Manufacturing and Quality Management	12	7.7%
General and Administrative	15	9.6%
Total	**156**	**100.0%**

Relationship with employees

Our success depends significantly on the expertise and contributions of our employees. We recruit talent primarily through online platforms and recruiting websites, focusing on highly engaged and motivated professionals committed to advancing innovative therapies in oncology and autoimmune diseases. We continue to expand our talent pool to support future development and believe that the departure of any single key management or R&D personnel would not materially or adversely affect our operations. In compliance with PRC labor laws, we enter into standard labor and confidentiality agreements with our employees covering matters such as compensation, benefits, workplace safety, confidentiality, non-compete obligations, work product assignment, and termination. These agreements require employees to safeguard our commercial and technical secrets, and any intellectual property developed during employment—or within one year after departure and related to their duties—belongs to us. We maintain high standards in talent selection and provide competitive compensation packages, including salary, bonuses based on performance reviews, share incentives, and promotion opportunities. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material labor disputes or strikes that had a material adverse effect on our business, financial condition, or results of operations.

Training and development

We provide our employees with diverse professional development opportunities and foster a performance-driven environment to promote retention and engagement. Given our emphasis on integrated in-house R&D capabilities, we place significant importance on developing internal talent. To maintain and enhance the knowledge and skill levels of our workforce, we offer continuing education and training programs covering technical, professional, and management capabilities, as well as periodic training to ensure compliance with our policies and procedures.

Employee benefits

We are committed to providing safe working conditions and treating all employees with care and respect. We offer competitive compensation packages and participate in government-mandated employee benefit plans, including pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing provident fund contributions.

During the Track Record Period, we engaged a third-party human resources agency to make social insurance and housing provident fund contributions on our behalf for certain employees, primarily because such employees preferred to have their contributions made at their respective places of residence for the convenience of accessing the relevant benefits locally. The aggregate social insurance and housing provident fund contributions made through the agency amounted to RMB0.9 million, RMB0.6 million and RMB26 thousand in each period during the Track Record Period. Pursuant to our arrangement with the agency, the agency was required to make the relevant contributions in full and on time. Based on the relevant payment records and the confirmation provided by the agency, all such contributions were made in full and on time during the Track Record Period and until we ceased the arrangement in April 2026.

As advised by our PRC Legal Adviser, applicable PRC laws and regulations require an employer to complete the requisite social insurance registration and housing provident fund contribution registration and account establishment procedures for its employees, and to make the relevant contributions in its own name and under its own accounts. Accordingly, the engagement of the third-party human resources agency to make such contributions did not strictly comply with applicable PRC laws and regulations. Our PRC Legal Adviser has further advised us that PRC laws and regulations at the national level do not expressly prescribe any standalone administrative penalty solely for an employer's engagement of a third-party agency to make such contributions. However, if the competent authorities were to regard the arrangement as our failure to complete the requisite registrations or establish the relevant accounts in our own name, we could be ordered to rectify such non-compliance within a prescribed period. If we failed to do so, we could be subject to a fine ranging from one to three times the amount of social insurance contributions payable in respect of the failure to complete social insurance registration. Based on the amount of the relevant social insurance and housing provident fund contributions, the maximum aggregate amount of administrative fines that could be imposed on us under the foregoing provisions would be approximately RMB3.1 million as of June 30, 2026. Our PRC Legal Adviser has confirmed that no applicable local laws or regulations impose any additional administrative penalty in connection with the arrangement.

In April 2026, we ceased the arrangement and have since made social insurance and housing provident fund contributions directly for all relevant employees in our own name and under our own accounts. As of the Latest Practicable Date, we had not received any notice, order or request for rectification, supplementary contribution, late payment surcharge or penalty from the competent authorities, had not been subject to any administrative penalty in connection with the arrangement, and were not aware of any complaint, arbitration, litigation or other material dispute raised by any relevant employee in connection with the arrangement. In view of (i) all relevant contributions having been made in full and on time, (ii) the absence of any employee complaint or governmental notice, order or penalty, and (iii) the cessation of the arrangement, our PRC Legal Adviser is of the view that the likelihood of us being subject to any material administrative penalty in connection with the arrangement is remote.

In addition, we did not make social insurance and housing provident fund contributions for one foreign employee, for whom we instead purchased commercial insurance in the PRC. As of June 30, 2026, the aggregate contribution shortfall amounted to approximately RMB0.7 million. As advised by our PRC Legal Adviser, PRC laws and regulations do not prescribe a fixed rectification period; any such period would be specified by the competent authority in a rectification order. As of the Latest Practicable Date, we had not received any such order and, accordingly, no rectification period had commenced and no late payment surcharge or administrative fine had been imposed on us. If we are ordered to rectify the shortfall, we may be required to pay a late payment surcharge at 0.05% per day on the outstanding social insurance contributions from their respective due dates. If we make the required payment within the period specified in the rectification order, no administrative fine will be imposed; otherwise, the maximum administrative fine would be three times the outstanding social insurance contributions, amounting to approximately RMB1.2 million. As of the Latest Practicable Date, no administrative actions, fines, or penalties have been imposed on us in relation to this matter. As of the Latest Practicable Date, we had not made provision for the contribution shortfall, potential late payment surcharge and the potential administrative fine as (i) we have ceased the engagement of third-party human resources agency for the contribution payment since April 2026 and made such contribution in full amount on our own, (ii) no rectification order had been received, and (iii) our PRC Legal Adviser considers the likelihood of such fine being imposed remote.

Save as disclosed above, we made adequate social insurance and housing fund contributions for all employees during the Track Record Period. During the Track Record Period, the Directors are of the view, and the PRC Legal Adviser agrees, that the relevant arrangements did not constitute any material non-compliance and would not have a material adverse impact on the Company's business operations or financial performance.

INSURANCE

We maintain insurance policies that we believe are consistent with market practice and adequate for our business. These include all-risk property insurance and employer injury insurance covering adverse events in clinical trials and employee injuries during work hours, as well as medical mutual aid insurance for our employees. We also maintain social insurance for substantially all employees in accordance with applicable PRC laws and regulations. Our Directors believe that, and our industry consultant concurs, our insurance coverage adequately protects our key assets, facilities, and liabilities and is in line with industry practice in the PRC. According to Frost & Sullivan, biotechnology companies in the PRC typically maintain insurance coverage relating to property risks and employee-related risks, such as property insurance and employer injury or work-related injury insurance, together with social insurance for employees in accordance with relevant PRC laws and regulations. According to Frost & Sullivan, based on publicly available information and industry practice in the PRC, our insurance coverage is generally in line with industry practice.

SOCIAL, HEALTH, WORK SAFETY AND ENVIRONMENTAL MATTERS

We recognize our responsibilities in environmental protection and social governance and are mindful of environmental, energy, climate-related, and workplace safety issues that may affect our operations. We are committed to complying with ESG reporting requirements upon [**REDACTED**]. Our Board has overall responsibility for overseeing and assessing ESG and climate-related risks and opportunities, setting ESG-related targets, adopting relevant policies, and reviewing the Group's ESG performance.

ESG Oversight

We have established an ESG working group to coordinate and oversee ESG-related matters and formulated corresponding working rules to guide our ESG management and sustainable development practices. The ESG working group is responsible for, among other things, (i) regularly communicating with and reporting to the Board and senior management on ESG risk management, objectives, plans and implementation progress; (ii) formulating and reviewing our environmental, social and governance framework, strategies, policies and procedures, and facilitating the implementation of ESG policies approved by the Board; (iii) organizing and coordinating the implementation of ESG-related initiatives and periodically assessing ESG-related risks and the effectiveness of our internal control systems; (iv) coordinating with external professional advisers in the preparation and review of our ESG reports to ensure the timeliness, completeness and accuracy of ESG-related disclosures; (v) conducting materiality assessments in relation to ESG matters and providing recommendations to the Board on improvements to our ESG policies and practices; (vi) supervising and guiding various departments in implementing ESG policies and conducting performance assessments in relation to ESG management; and (vii) promoting ESG-related initiatives within the Company, including environmental protection, emissions reduction and community engagement activities.

The ESG Working Group convenes on a semi-annual basis to review our ESG performance, policies and established targets and assess emerging risks. ESG performance is monitored through a dashboard of key performance indicators, with any material deviations promptly escalated to responsible departments for timely remediation. Reports on ESG progress are submitted to the Board at least annually. In setting ESG targets, we take into account historical performance baselines, applicable regulatory requirements, industry peer benchmarks, and internationally recognized standards. We may also engage external ESG consultants periodically to provide independent assessments and benchmarking support to ensure continued alignment with best practices.

ESG-related Risk Assessment and Management

We routinely conduct materiality assessment internally to identify potential ESG issues that are applicable to our Group. We also communicate with external stakeholders from time to time, including regulatory agencies, Shareholders, and customers and suppliers. We assess the materiality of ESG issues by considering factors including regulatory frameworks, stakeholder priorities, and the impact of such issues on our business operations, financial performance and development sustainability. The results of the assessment are presented to the Board for review and confirmation. We are subject to ESG-related risks. See "Risk Factors — Risks Relating to Our Operations".

During the Track Record Period, we were not involved in any manufacturing activities. We conducted our R&D activities in our Hangzhou facility. During the Track Record Period and up to the Latest Practicable Date, we have not received any fines or penalties associated with the breach of any environmental laws or regulations. To the best knowledge and belief of our Directors, we are not subject to material environmental liability risk and will not incur material compliance costs in the future. To promote sustainable development, we have identified potential physical risks and transition risks from climate change. Acute physical risk can arise from extreme weather conditions such as storms and flooding, which may have potential financial implications for us due to direct damage of assets, delay of our drug pipeline R&D progress, disruption of operations, or even threaten the personal safety of employees. Meanwhile, sustained elevated temperature resulting from chronic physical risk may increase the electricity consumption and thus the operating expenditure. In order to prevent these situations in advance, we always pay attention to catastrophic weather, strengthen our contingency plans for extreme weather, and make timely adjustments according to temperature and weather conditions to ensure smooth transportation. Also, we adopted an array of measures in managing our energy consumption. During the Track Record Period, we were not affected by the above risks and our exposure to these potential risks is relatively low based on our analysis.

We will adopt various strategies and measures to identify, assess, manage and mitigate environmental, social and climate-related risks, including but not limited to: reviewing and assessing the ESG reports of similar companies in the industry to ensure that all relevant ESG-related risks are identified on a timely basis; discussing among management from time to time to ensure all the material ESG areas are recognized and reported; discussing with key stakeholders on key ESG principles and practices to ensure that the significant aspects are covered; and organising a specific ESG risk management process to identify and consider ESG risks and opportunities separate from other business risks and opportunities.

Environmental Protection

We currently rely on CDMOs to manufacture certain drug candidates for research and development purposes, resulting in minimal air emissions, wastewater, biological solid waste, or other hazardous waste. To ensure compliance with applicable environmental laws and standards, we have established internal policies for environmental risk prevention, including strict adherence to GMP requirements and pollutant emission standards, as well as periodic environmental assessments covering exhaust gas emissions, hazardous waste disposal, noise, and wastewater emissions.

When selecting our third-party contractors, including CROs and CDMOs, and determining whether to renew the collaboration we assess their procedures for handling hazardous materials and wastes. Our assessment includes evaluating their environmental compliance history and existing hazardous material management systems. Our collaborated CDMOs and CROs maintain internal policies and procedures governing the handling, use, storage, treatment and disposal of hazardous materials and waste generated in the course of research, testing and manufacturing activities. Hazardous waste generated in the course of our preclinical and clinical development activities conducted by these service providers is handled and disposed of in accordance with applicable environmental laws and regulations. Such service providers are required to engage licensed hazardous waste disposal service providers holding the relevant hazardous waste operation permits issued by competent environmental authorities. Hazardous waste generated during research, testing

and manufacturing activities is subject to classification, collection and temporary storage in designated facilities before being transferred to qualified third-party disposal providers for centralized treatment. The storage, transfer and disposal of hazardous waste are recorded and reported through applicable environmental supervision systems, and personnel involved in the handling, storage and transportation of hazardous waste are required to receive appropriate safety training and adopt necessary occupational protection measures.

- Wastewater treatment: Wastewater generated from equipment cleaning, purified water preparation, condensate, etc., is pretreated at our self-built sewage treatment plant before being combined with domestic wastewater for further treatment. Waste liquids from quality testing are classified as hazardous waste and are collected and disposed of by qualified units.

- Solid waste and other hazardous waste treatment: Household waste is collected and disposed of by sanitation services. Hazardous waste is collected and then entrusted to qualified units for disposal.

- Air pollution treatment: Air pollution undergoes alkali scrubbing and activated carbon adsorption at our self-built emission treatment facilities before being discharged into the atmosphere at high altitude.

During the Track Record Period and up to the Latest Practicable Date, we had not received any fines or penalties associated with the breach of any environmental laws or regulations. To the best knowledge and belief of our Directors, we are not subject to material environmental liability risk and will not incur material compliance costs in the future.

Resource Consumption

In pursuit of our sustainable development objectives, we rigorously oversee our environmental protection performance across various domains, including resource efficiency and energy consumption. We closely monitor our electricity and water consumption levels and actively implement strategies to enhance energy efficiency and promote water conservation.

	Year Ended December 31,		Six Months Ended June 30,
	2024	2025	2026
Resource consumption			
Electricity (*MWh*)			
– Total amount	405.1	464.1	208.9
Water (*ton*)			
– Total amount	1,178	1,288	944
Emission			
Hazardous solid waste (*ton*)			
– Total amount	1.5	1.3	0.5
Hazardous water waste (*ton*)			
– Total amount	1	2.2	0.4

Following the ESG evaluation system standards in the PRC and the prevailing market practice adopted by industry pioneers, we aim to avoid or reduce the adverse environmental impacts arising from our operations. Upon [**REDACTED**], our Board will, at the beginning of each financial year, set targets for material ESG KPIs in accordance with the disclosure requirements under Appendix C2 to the Listing Rules and other applicable rules and regulations, including relevant national and industry environmental standards. Such KPI targets will be reviewed on an annual basis under the direct supervision of our Directors and senior management to ensure that they remain appropriate and aligned with the operational needs of our Company. In formulating these ESG-related KPI targets, we have taken into account our historical levels of resource consumption and waste

discharge during the Track Record Period and have prudently considered our expected business expansion plans, with a view to striking an appropriate balance between business growth and environmental protection. We will continue to devote efforts to achieving our target of reducing our electricity and water consumption, as well as hazardous waste discharge, per thousand dollars of total manufacturing costs by 5% over the next three years.

Climate change

We believe that our business is not materially susceptible to the effects of climate change, and we do not expect potential climate-related regulatory changes in the PRC to adversely affect our operations. Nevertheless, we remain attentive to climate-related risks and have formulated contingency plans to mitigate the impact of extreme weather events such as hurricanes and rainstorms. As of the Latest Practicable Date, climate change or extreme weather conditions had not had a material impact on our business operations or financial performance.

Preclinical and Clinical Study

We have implemented a series of measures to enhance laboratory and clinical trial safety while ensuring compliance with applicable regulations. These include establishing internal policies and procedures covering the full lifecycle of drug development, from preclinical studies to clinical trials; implementing guidelines on employee health and safety, environmental protection, and laboratory operational safety; monitoring and recording adverse events (AEs) during clinical trials; analyzing collected AEs to assess safety risks; and reporting serious adverse events (SAEs) and potential safety concerns in accordance with regulatory requirements.

Animal Welfare and Patient Safety

Ethics form an essential component of our pharmaceutical R&D management framework. We strictly comply with applicable laws, regulations and ethical standards, including the World Medical Association's Declaration of Helsinki and the Regulations for the Administration of Laboratory Animals. Our objective is to protect the legitimate rights and interests of human subjects and to ensure the welfare of laboratory animals. We comprehensively safeguard the rights of clinical trial participants, including their rights to informed consent, privacy and drug-use safety. All clinical trials are conducted in accordance with applicable regulatory requirements and based on informed consent from the participants. Meanwhile, we fully consider the welfare of laboratory animals involved in our experiments. We typically engage CROs to conduct animal studies, and the CROs we engaged have obtained certification from the Association for Assessment and Accreditation of Laboratory Animal Care. This certification promotes compliance with key regulations regarding animal welfare, including the humane treatment of all animals, the promotion of psychological well-being, access to adequate veterinary care, ethical reviews of research protocols, proper training for personnel involved in animal care, and ongoing compliance monitoring to uphold high standards of animal welfare throughout the research process.

Workplace Safety

We are committed to maintaining a safe and healthy working environment for our employees and clinical trial participants. We have implemented a series of rules, standard operating procedures, and safety measures, including those required under GMP standards, to promote workplace safety and employee well-being. Our policies emphasize safe practices, accident prevention, and incident reporting, and we ensure that clinical trial participants are adequately informed of safety matters throughout their participation. During the Track Record Period and up to the Latest Practicable Date, we did not experience any major workplace accidents. We have established laboratory safety guidelines covering the handling, storage, treatment, and disposal of hazardous materials; provide regular safety training, including fire safety sessions; maintain employee health records and conduct occupational health examinations where applicable; and carry out routine fire safety inspections, maintain firefighting equipment, and organize emergency drills to enhance preparedness.

Workplace Diversity

Within our Company, we are steadfast in our commitment to fostering an open and inclusive workplace that champions equality. We adhere to a corporate policy of hiring employees based solely on their merits, offering equal opportunities regardless of gender, age, race, religion, or any other social or personal characteristics. As of the Latest Practicable Date, 51.9% of our total employees were female. Our employee management system operates on principles of fairness and transparency, and we actively work to enhance gender and age diversity within our workforce.

PROPERTIES

We are headquartered in Hangzhou, Zhejiang Province. We own properties in Shaoxing, Zhejiang Province and we lease properties in Hangzhou, Changsha, Zhengzhou and Shaoxing.

The Property Valuation Report from Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("JLL") set out in Appendix III to this document, sets out details of our selective property interest as of June 30, 2026. JLL valued this property interest at an amount of RMB85.9 million as of June 30, 2026. Except for the property interest set forth in the property valuation report from JLL, no single property interest that forms part of our non-property activities had a carrying amount representing 15% or more of our total assets as of June 30, 2026.

Owned Properties

As of the Latest Practicable Date, we owned one land use right of one parcel of land in Shaoxing, Zhejiang Province with a site area of 33,461 sq.m. We intend to use this premise as our manufacturing facility for pharmaceuticals. We expect to complete the construction of our manufacturing facility by 2027 and to commence production by 2029. As of the Latest Practicable Date, we had obtained the relevant construction land planning permit (建設用地規劃許可證), construction planning permit (建設工程規劃許可證) and construction permit (建築工程施工許可證) from the government authorities for such property under construction. Based on the foregoing, our PRC Legal Advisors are of the view that as of the Latest Practicable Date, we have obtained the necessary construction permits and approvals for our ongoing projects in PRC.

Leased Properties

As of the Latest Practicable Date, we leased 4 property with an aggregate GFA of approximately 5,347.83 sq.m. from Independent Third Parties as our office, R&D centers and correspondence premises in the PRC. The relevant lease agreements provide a duration of up to 5 years. The following table sets forth the details of our leased properties as of the Latest Practicable Date:

Location	Usage	GFA (sq.m.)	Lease Term
Hangzhou, the PRC	Offices and R&D	5,114.24	March 1, 2026 – March 31, 2027
Changsha, the PRC	Correspondence	58.97	June 7, 2026 – June 6, 2028
Zhengzhou, the PRC	Correspondence	85.16	May 14, 2026 – May 13, 2028
Shaoxing, the PRC	Correspondence	89.46	August 1, 2026 – July 31, 2027

AWARDS AND RECOGNITION

The table below sets forth a summary of the major awards and recognition we received.

Year(s) of Grant	Award/Recognition	Issuing Authority
2026	Hangzhou "New Eaglet" Enterprise (杭州市「新雛鷹」企業)	Hangzhou Municipal Bureau of Science and Technology (杭州市科學技術局)
2025-2026	Zhejiang Provincial Specialized, Refined, Distinctive and Innovative Small and Medium-sized Enterprise (浙江省專精特新中小企業)	Department of Economy and Information Technology of Zhejiang Province
2025	Zhejiang Province "Rising Tech Dragon" Enterprise (浙江省「科技新小龍」企業)	Zhejiang High-Tech Enterprise Association, Zhejiang Venture Capital Association, Zhejiang Business Magazine, Zhejiang Science and Technology Publicity and Education Center, Zhejiang Bureau of Xinhua News Agency's News Information Center, Zhejiang Bankers Association, Zhejiang Branch of Xinhua Net Co., Ltd., and Zhejiang Alliance for the Commercialization of Scientific and Technological Achievements
2025-2026	Top 100 Future Unicorn Enterprises in Zhejiang (浙江未來獨角獸企業TOP100)	All Blossom Conference (萬物生長大會組委會)
2022-2026	Quasi-Unicorn Enterprises in Hangzhou (杭州市準獨角獸企業)	Hangzhou Venture Capital Association (杭州市創業投資協會) and WeLink (微鏈)
2024	Hangzhou Municipal Enterprise High and New Technology Research and Development Center (杭州市企業高新技術研究開發中心)	The Bureau of Science and Technology of Yuhang District, Hangzhou (杭州市餘杭區科學技術局)
2022	Hangzhou "Young Eagle Program" Enterprise (杭州市「雛鷹計劃」企業)	Hangzhou Municipal Bureau of Science and Technology (杭州市科學技術局)

LICENSES, PERMITS AND APPROVALS

During the Track Record Period and up to the Latest Practicable Date, as advised by our PRC Legal Advisor, we had obtained all material licenses and permits required for our business operations in the PRC, and such business licenses had remained in full effect. For more details regarding the laws and regulations to which we are subject, see "Regulatory Overview" in this document. We had not experienced any material difficulty in renewing such licenses, permits, approvals and certificates during the Track Record Period and up to the Latest Practicable Date, and we currently do not expect to have any material difficulty in renewing them when they expire, if applicable. During the Track Record Period and up to the Latest Practicable Date, no material unexpected or adverse changes that could adversely affect the maintenance and renewal of our material licenses, permits, approvals and certificates had occurred since the dates of issue of the relevant regulatory approvals for our business operation. The following table sets forth details of selected material licenses and permits obtained by our Group as of the Latest Practicable Date:

License/Permit	Holder	Date of Grant	Expiry Date
Drug Registration Approvals for Bezacitinib Tablets (4 mg and 16 mg)	Our Company	April 29, 2026	April 28, 2031
Drug Manufacturing License	Our Company	November 28, 2025	May 21, 2029
Record of Purchase for Precursor Chemicals for Explosives	Our Company	N/A	N/A
Record of Purchase for Precursor Chemicals for Narcotics	Our Company	N/A	N/A
Business Registration Certificate	Our Company	December 10, 2025	N/A

LEGAL PROCEEDING AND COMPLIANCE

As of the Latest Practicable Date, there was no litigation, arbitration or administrative proceedings pending or threatened against the Company or any of our Directors which could have a material and adverse effect on the research and development of our drug candidates, our financial condition or results of operations. Potential future litigation or any other legal or administrative proceeding, regardless of the merit or outcome, is likely to result in substantial costs, diversion of our resources, and have a negative impact on our reputation and brand image, which in turn, would have negative impact on our business, financial condition, and results of operations.

We are committed to maintaining the highest standards of regulatory compliance in accordance with applicable laws and regulations governing our business operations. We are of the view that, during the Track Record Period and up to the Latest Practicable Date, we had complied, in all material respects, with all relevant laws and regulations in the jurisdictions we operate in, our Directors confirmed that, during the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any non-compliance incidents that led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our Group's business operations.

RISK MANAGEMENT AND INTERNAL CONTROL

We are committed to developing and maintaining a comprehensive risk management and internal control framework, supported by policies and procedures tailored to our business operations. We remain dedicated to continuously strengthening these systems to ensure their ongoing effectiveness.

Risk Management

Effective risk management is fundamental to our business operations. Key operational risks include changes in market conditions and the regulatory environment for the biopharmaceutical industry, our ability to develop, manufacture, and commercialize drug candidates, and competition from other biopharmaceutical companies. We are also exposed to market risks, particularly credit and liquidity risks arising in the ordinary course of business. See "Risk Factors" and "Financial Information — Market Risk Disclosure" for further details. We have implemented comprehensive risk management policies to identify, assess, and monitor key risks in alignment with our strategic objectives. Management evaluates risks based on their likelihood and potential impact and implements mitigation measures as appropriate, with significant risks reported to our Directors. Our Board oversees the implementation of these risk management policies. The following key principles outline our Group's approach to risk management and internal control we plan to implement:

- Our Audit Committee will oversee, evaluate and enhance our internal control system, including: (i) reviewing internal control and risk management policies and providing recommendations for improvement; (ii) engaging in discussions with management to assess the effectiveness of these policies and ensuring that management properly discharges its responsibilities in establishing effective controls; (iii) considering material internal control findings and evaluating the remediation measures taken by management; and (iv) monitoring potential employee misconduct relating to internal control and establishing procedures for investigating and addressing internal control-related complaints within the Company.

- Our Board will be responsible for: (i) formulating our risk management policy and reviewing major risk management matters of our Company; (ii) providing guidance to the relevant teams on our risk management approach; (iii) reviewing reports from the relevant teams on key risks and providing feedback; and (iv) overseeing the implementation of our risk management measures by the relevant teams.

- Our Risk Control and Management team bear responsibility for (i) establishing, operating, and supervising our risk management system; (ii) organizing and conducting risk assessment, summarizing and analyzing the assessment results, and compiling relevant risk information; (iii) organizing and coordinating cross-departmental risk management matters, and urging each department to take corresponding control activities for identified risks; and (iv) assisting relevant departments in formulating major risk response plans.

We consider that our Directors and members of our senior management possess the necessary knowledge and experience in providing good 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 internal control consultant (the "**Internal Control Consultant**") to perform certain agreed-upon procedures (the "**Internal Control Review**") in connection with the internal control of our Company and our Shaoxing subsidiary in certain aspects, including entity-level controls of our Company, asset management, human resources and payroll management, general controls of IT system and other procedures of our operations. The Internal Control Consultant performed the Internal Control Review in November 2025, identified internal control deficiencies and provided recommendation accordingly. We have adopted the corresponding remediation actions to improve the effectiveness of internal control system. The Internal Control Consultant performed a follow-up review with regard to those actions taken by us and there are no

further material findings identified in the process of the follow up review. During the Track Record Period, we regularly reviewed and enhanced our internal control system. Below is a summary of the internal control policies, measures and procedures we have implemented or plan to implement:

- We have adopted various measures and procedures regarding each aspect of our business operation, such as related party transaction, risk management, environmental protection and occupational health and safety. For more information, see "— Social, Health, Work Safety and Environmental Matters" in this section. We provide periodic training about these measures and procedures to our employees as part of our employee training program.

- We provide a range of training programs to ensure that our employees remain informed about applicable laws, regulations and policies. New employees are required to attend compliance training shortly after joining the Company and must pass assessments designed to evaluate their understanding of the compliance matters covered. In addition, all employees are required to participate in regular on-site and online training sessions to stay updated on relevant legal and regulatory developments.

- We have established an audit committee which: (i) makes recommendations to our Directors on the appointment and removal of external auditors; and (ii) reviews our financial statements, advises on financial reporting matters and oversees the internal control procedures of our Group.

- We maintain strict anti-corruption policies and believe that, as a result, we will be less adversely affected by the increasingly stringent measures adopted by the PRC government to address corrupt practices in the biopharmaceutical industry.

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, Mr. Li Bangliang, chairman of the Board and executive Director, is entitled to exercise an aggregate of approximately 31.25% of the voting rights in the Company through: (i) 7,500,000 Shares (representing approximately 14.75% of the voting rights in the Company) directly held by Hangzhou Wanyuhe, which is controlled and owned as to 99.00% by Mr. Li Bangliang; (ii) 6,000,000 Shares (representing approximately 11.80% of the voting rights in the Company) directly held by Hangzhou Sanrui, which is controlled by Mr. Li Bangliang as its general partner; and (iii) 2,385,000 Shares (representing approximately 4.69% of the voting rights in the Company) directly held by Hangzhou Liuyintai, which is controlled by Mr. Li Bangliang as its general partner. Mr. Li Bangliang, Hangzhou Wanyuhe, Hangzhou Sanrui and Hangzhou Liuyintai are considered to be a group of controlling shareholders as of the Latest Practicable Date.

Immediately after completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), Shares held by Mr. Li Bangliang, Hangzhou Wanyuhe, Hangzhou Sanrui and Hangzhou Liuyintai will represent [**REDACTED**]% of the voting rights in the Company in aggregate. Accordingly, Mr. Li Bangliang, Hangzhou Wanyuhe, Hangzhou Sanrui and Hangzhou Liuyintai will no longer constitute a group of controlling shareholders, but will remain as our Single Largest Group of Shareholders upon the completion of the [**REDACTED**].

Hangzhou Sanrui and Hangzhou Liuyintai are both managed by Mr. Li as the general partner. Details of the limited partners of Hangzhou Sanrui and Hangzhou Liuyintai are set out below:

	General partner	Partnership interest	Limited partners	Partnership interest
Hangzhou Sanrui	Mr. Li	80.00%	Dr. Lyu (our executive Director and general manager)	10.00%
			Du Yanjun (杜延軍)[1]	5.00%
			Pan Haofang (潘昊舫)[1]	5.00%
Hangzhou Liuyintai	Mr. Li	1.00%	Li Yuedong (李閱東) (our executive Director and deputy general manager)	82.02%
			Du Ying (杜瑩) (our financial controller)	1.89%
			Ye Shuaidong (葉帥東) (our Board secretary and company secretary)	1.89%
			Seven of our current employees[1]	13.20%

(1) Each limited partner is an independent third party of the Company.

COMPETITION

The Single Largest Group of Shareholders have confirmed that they do not have any interest in a business, apart from the business of the Group (being R&D of innovative drugs), which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM THE SINGLE LARGEST GROUP OF SHAREHOLDERS

Having considered the following factors, the Directors are satisfied that we are capable of carrying out our business independently of the Single Largest Group of Shareholders and their close associates after the [**REDACTED**].

Management Independence

Our Board consists of nine Directors, including four executive Directors, two non-executive Directors and three independent non-executive Directors. We are able to carry on our business independently from the Single Largest Group of Shareholders from a management perspective.

The executive Directors and senior management team are responsible for the day-to-day management of our operations. Notwithstanding the roles of Mr. Li Bangliang in the Board, the Directors are of the view that the Company is able to function independently from Mr. Li Bangliang for the following reasons:

(a) all of the independent non-executive Directors are independent of Mr. Li Bangliang, and decisions of the Board require the approval of a majority vote from members of the Board;

(b) each of the Directors is aware of fiduciary duties of a director which require, among other things, that he/she must act for the benefit and in the best interest of the Group and must not allow any conflict between his/her duties as a Director and his/her personal interest;

(c) in the event that there is a potential conflict of interests arising out of any transaction to be entered into between the Company and the Directors, the interested Director(s) will abstain from voting at the relevant meeting of the Board in respect of such transactions and shall not be counted in the quorum;

(d) we have three independent non-executive Directors and certain matters of the Company must always be referred to the independent non-executive Directors for review;

(e) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between the Group and the Single Largest Group of Shareholders which would support our independent management; and

(f) our daily management and operations are carried out by the Company's senior management team, all of whom have substantial experience in the industry in which the Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group.

Based on the above, the Directors believe that the Board as a whole and together with our senior management are able to perform the management role in the Group independently from the Single Largest Group of Shareholders and their close associates (other than the Group) after the [**REDACTED**].

Operational Independence

We have independent operating capabilities and management systems. We do not rely on any operational or administrative resources of the Single Largest Group of Shareholders or their close associates (other than the Group) for research and development, manufacturing, business development, staffing and administration (including financial and accounting management, human resources and information technology). We have independent access to suppliers and customers, and an independent management team to handle our day-to-day operations. We also possess the necessary licenses, certificates, facilities and intellectual property rights to carry on and operate our business, and we have sufficient operational capacity in terms of capital and employees to operate independently.

Based on the above, the Directors are satisfied that we are able to operate independently from the Single Largest Group of Shareholders and their close associates (other than the Group) after the [**REDACTED**].

Financial Independence

We have established our own finance department with a team of financial staff, who are responsible for financial control, accounting, reporting, group credit and internal control functions of the Company, independent from the Single Largest Group of Shareholders and their respective close associates (other than the Group). We are able to make financial decisions independently and the Single Largest Group of Shareholders and their respective close associates do not intervene with our financial matters. We have also established an independent audit system, a standardized financial and accounting system and a complete financial management system. In addition, we are capable of obtaining financing from third parties at reasonable costs without relying on any guarantee or security provided by the Single Largest Group of Shareholders or their close associates (other than the Group).

We do not rely on the Single Largest Group of Shareholders and/or their respective close associates by virtue of their provision of financial assistance. As of the Latest Practicable Date, there were no outstanding loans, advances and balances of non-trade nature due to or from the Single Largest Group of Shareholders or their respective associates (other than the Group) and we do not intend to rely on any member of the Single Largest Group of Shareholders in the future.

Based on the above, the Directors are of the view that we are capable of carrying on our business independently of, and do not place undue reliance on the Single Largest Group of Shareholders and their respective close associates after the [**REDACTED**].

CORPORATE GOVERNANCE MEASURES

The Company will comply with the provisions of the Corporate Governance Code, which sets out principles of good corporate governance.

The Directors recognize the importance of good corporate governance in protecting the Shareholders' interests. We would adopt the following measures to promote good corporate governance and to avoid potential conflict of interests between the Group and the Single Largest Group of Shareholders:

(a) where a Shareholders' meeting is to be held for considering proposed transactions in which the Single Largest Group of Shareholders or any of their respective associates has a material interest, the Single Largest Group of Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;

(b) the Company has established internal control mechanisms to identify connected transactions. Upon [**REDACTED**], if the Company enters into connected transactions with the Single Largest Group of Shareholders or any of their respective associates, the Company will comply with the applicable Listing Rules;

(c) we have appointed three independent non-executive Directors, and we believe our independent non-executive Directors possess sufficient experience. They will provide impartial and professional advice to protect the interest of our minority Shareholders;

(d) where the Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at the Company's expenses; and

(e) we have appointed Somerley Capital Limited as our Compliance Adviser to provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

Based on the above, the Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflict of interests that may arise between the Group and the Single Largest Group of Shareholders, and to protect minority Shareholders' interests after the [**REDACTED**].

OVERVIEW

Upon [**REDACTED**], the Board will consist of nine Directors, including four executive Directors, two non-executive Directors and three independent non-executive Directors. Our Directors serve for a term of three years and may be re-elected for successive re-appointments.

The senior management currently consists of seven members who are responsible for our day-to-day management and operation.

DIRECTORS

The table below sets out certain information about our Directors.

Name	Age	Position	Responsibilities	Date of the appointment as a Director	Date of joining the Group
Executive Directors					
Mr. Li Bangliang (李邦良先生)	80	Chairman of the Board, executive Director	Responsible for presiding over the overall business management and strategic development of the Company	May 24, 2024	May 24, 2024
Dr. Lyu Yubin (吕裕斌博士)	46	Executive Director and general manager of the Company	Responsible for the overall strategic planning, innovative drug research and development and business operation of the Company	October 27, 2020	July 29, 2020
Mr. Li Yuedong (李閱東先生)	54	Executive Director and deputy general manager of the Company	Responsible for the commercialization of the Company's products, government and regulatory affairs, and investment and financing matters of the Company	May 24, 2024	May 24, 2024
Ms. Lu Jian (盧建女士)	54	Executive Director and deputy general manager of the Company	Responsible for the management of clinical trials, pharmacovigilance, and registration affairs related to clinical development	February 9, 2023	July 29, 2020
Non-executive Directors					
Mr. Zhang Yuhao (張宇昊先生)	44	Non-executive Director	Responsible for providing guidance and advice on corporate and business strategies	February 9, 2023	February 9, 2023
Mr. Zhou Mi (周密先生)	48	Non-executive Director	Responsible for providing guidance and advice on corporate and business strategies	May 31, 2021	May 31, 2021
Independent non-executive Directors					
Mr. Li Wai Man Raymond (李偉文先生)	64	Independent non-executive Director	Responsible for supervising and providing independent judgement to the Board	November 7, 2025	November 7, 2025
Dr. Su Weike (蘇為科博士)	65	Independent non-executive Director	Responsible for supervising and providing independent judgement to the Board	November 7, 2025	November 7, 2025
Ms. Chu Yik Hei (朱奕郗女士)	36	Independent non-executive Director	Responsible for supervising and providing independent judgement to the Board	November 7, 2025	November 7, 2025

Executive Directors

Mr. Li Bangliang (李邦良先生), aged 80, has served as our Director since May 2024, and has served as the Chairman of the Board since December 2024. He was re-designated as our executive Director on January 5, 2026. He is responsible for presiding over the overall business management and strategic development of the Company. Mr. Li Bangliang is the father of Mr. Li Yuedong.

Mr. Li has over five decades of experience in the pharmaceutical industry and corporate management. From July 1972 to December 1992, he worked at Hangzhou Huadong Pharmaceutical Factory (杭州華東製藥廠) where he successively held positions as workshop director, section chief, office director, deputy factory director, and factory director. From January 1993 to January 2016, he served as chairman of the board and general manager of Huadong Medicine Co., Ltd. (華東醫藥股份有限公司) ("**Huadong Medicine**"), and from January 2016 to June 2019, as chairman of the board of Huadong Medicine. During Mr. Li's tenure at Huadong Medicine, he led the development of innovative drug candidates in oncology and diabetes. Key products developed and commercialized by Huadong Medicine during this period included "Bailing Capsule" and the generic drug "Cabping" (Acarbose), each achieving annual sales exceeding RMB3 billion prior to the volume-based procurement policy.

From June 2000 to November 2023, Mr. Li served as director and chairman of the board of Hangzhou Jiuyuan Genetic Biopharmaceutical Co., Ltd. (杭州九源基因生物醫藥股份有限公司) ("**Jiuyuan Genetic**"), a company listed on the Stock Exchange (stock code: 02566), where he oversaw the R&D pipeline, including innovative candidates and biosimilars. During his tenure, Jiuyuan Genetic built a commercial team of over 700 professionals and established a sales network covering 30 provinces and autonomous regions, which served more than 3,700 hospitals and medical institutions.

Mr. Li has been widely recognized for his exceptional leadership and contributions to the national pharmaceutical industry. In April 1999, he was honored with the National May 1st Labor Medal (全國五一勞動獎章) by the All-China Federation of Trade Unions (中華全國總工會). In April 2000, he was conferred the title of National Model Worker (全國勞模) by the State Council (國務院). In October 2002, he was named a "China Business Master" (中國經營大師) by the Development Research Center of the State Council (國務院發展研究中心) and China Tertiary Industry Magazine (中國第三產業雜誌社). From 2003 to 2007, Mr. Li served as a Deputy to the 10th National People's Congress (第十屆全國人大代表), during which he led the drafting and proposal of the Employment Promotion Law (就業促進法). From 2008 to 2017, he served as a Deputy to the 11th and 12th Zhejiang Provincial People's Congresses (浙江省第十一、十二屆省人大代表), contributing to the formulation of local economic and industrial development policies. Mr. Li was elected as a "Pharmaceutical Industry Meritorious Figure in 40 Years of Reform and Opening-Up" by China Pharmaceutical Entrepreneurs, Scientists and Investors Conference (中國醫藥企業家科學家投資家大會) in September 2018. In August 2019, Mr. Li was presented with the Commemorative Medal for the 70th Anniversary of the Founding of the People's Republic of China (中華人民共和國成立七十週年紀念章), jointly issued by the Central Committee of the Communist Party of China, the State Council (國務院), and the Central Military Commission (中國共產黨中央軍事委員會), in recognition of his lifelong dedication and contributions to the national pharmaceutical industry and public welfare causes.

Mr. Li was the person-in-charge of Hangzhou East China Pharmaceutical Co., Ltd. Xiacheng Branch (杭州華東醫藥股份有限公司下城分公司) ("**Hangzhou Xiacheng**") and Hangzhou Traditional Chinese Medicine Decoction Piece Factory (杭州中藥飲片廠) ("**Hangzhou Zhongyao**"). The business licenses of Hangzhou Xiacheng and Hangzhou Zhongyao were revoked on October 8, 2003 and October 28, 2013, respectively, due to cessation of business operations and failure to complete annual inspections in a timely manner under the PRC laws. In addition, Mr. Li has confirmed that (i) he did not incur any debt and/or liabilities as a result of such revocation; (ii) Hangzhou Xiacheng and Hangzhou Zhongyao were not involved in any administrative penalties or civil disputes prior to the revocation of their business licenses; and (iii) such revocation has not had, and is not expected to have, any material adverse effect on our Group.

Mr. Li obtained his bachelor's degree in rocket manufacturing from Nanjing University of Science and Technology (南京理工大學) (formerly known as East China Engineering College (華東工程學院)) in November 1968. In December 1997, he was awarded the professional title of professor-level senior engineer (教授級高級工程師) by the Department of the Human Resources of Zhejiang Province (浙江省人事廳).

Dr. Lyu Yubin (呂裕斌博士), aged 46, has served as a Director since October 2020. He was re-designated as our executive Director on January 5, 2026. He is responsible for the overall strategic planning, innovative drug research and development and business operation of the Company.

Dr. Lyu has extensive experience in new medicine research and pharmaceutical management. From June 2006 to March 2009, Dr. Lyu worked at Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd. (杭州中美華東製藥有限公司). From March 2009 to July 2020, Dr. Lyu served as director and general manager of the Research Institute. During Dr. Lyu's tenure at the Research Institute, he oversaw development and approval of dozens of innovative and first-generic products including mifanertinib (a novel therapy for non-small cell lung cancer) recognized as an important achievement under the national "Major New Drug Innovation" program and approved by the NMPA in October 2025 for first-line treatment of NSCLC.

Dr. Lyu left the Research Institute in July 2020 and then joined the Company. He was appointed as a Director in October 2020. In May 2021, he was further appointed as the chairman of the Board and general manager. He resigned as chairman of the Board in December 2024 but continued to serve as a Director and general manager. Dr. Lyu has also served as the executive director of Hangzhou Jiuyin since November 2020 and executive director of Bangshun Shaoxing since June 2024.

Dr. Lyu obtained his bachelor's degree in pharmaceutical engineering in June 2001 and a doctoral degree in chemical engineering and technology in June 2006, both from Zhejiang University (浙江大學). Dr. Lyu has received multiple awards and honors for his contributions to the pharmaceutical industry and scientific innovation, including the First Prize of Zhejiang Provincial Science and Technology Award (浙江省科學技術獎) in 2018, conferred by the People's Government of Zhejiang Province (浙江省人民政府) and the honor of Zhejiang "Ten Thousand Talents Program" (浙江省"萬人計劃") by the Office of the Leading Group for Talent Work of the Zhejiang Provincial Committee of the Communist Party of China ("中共浙江省委人才工作領導小組辦公室"). Dr. Lyu is a professorate senior engineer (正高級工程師).

Mr. Li Yuedong (李閱東先生), aged 54, has served as a Director since May 2024 and as deputy general manager since July 2025. He was re-designated as our executive Director on January 5, 2026. Mr. Li is responsible for the commercialization of the Company's products, government and regulatory affairs, and investment and financing matters of the Company. Mr. Li Yuedong is the son of Mr. Li Bangliang.

Mr. Li has over 30 years of experience in the pharmaceutical industry, covering corporate management, marketing, and investment operations. He began his career at Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd. (杭州中美華東製藥有限公司) in September 1993 as a sales representative, and later served as a sales officer at Zhejiang Pharmaceutical Supply and Marketing Limited Company (浙江省醫藥供銷有限公司) from June 1996 to January 1998, and at Zhejiang Medical (Industry) Co., Ltd. (浙江醫療器械(工業)有限公司) from January 1998 to October 1999. From July 2000 to January 2002, he worked at Zhejiang Int'l Medicine Co., Ltd. (浙江英特藥業有限責任公司), where he successively held positions including sales representative, head of the retail section of the Chinese Patent Medicine Branch, and general manager. From January 2002 to April 2008, he also served as the general manager of Hangzhou Aibang Medical Products Co., Ltd. (杭州愛邦醫療器械有限公司) (formerly known as Zhejiang Aibang Health Products Co., Ltd. (浙江愛邦保健品有限公司). From May 2008 to December 2013, he served as deputy general manager and later general manager of Hangzhou Zhuyangxin Pharmaceutical Co., Ltd. (杭州朱養心藥業有限公司).

From October 2013 to July 2016, Mr. Li served as deputy general manager and party committee member of Hangzhou Huadong Medicine Group Co., Ltd. (杭州華東醫藥集團有限公司), and from April 2014 to August 2021, as a director of Huadong Medicine Co., Ltd. (華東醫藥股份有限公司). Between June 2016 and August 2019, he served concurrently as general manager of Huadong Medicine Co., Ltd. (華東醫藥股份有限公司) and deputy general manager of Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd. (杭州中美華東製藥有限公司). From July 2017 to April 2022, Mr. Li served as director of Hangzhou Jiuyuan Genetic Biopharmaceutical Co., Ltd. (杭州九源基因生物醫藥股份有限公司), a company listed on the Stock Exchange (stock code: 02566). From April 2018 to December 2019, he served as deputy secretary and secretary of the Discipline Inspection Committee of the Party Committee of Huadong Medicine Co., Ltd. (華東醫藥股份有限公司), and from June 2019 to August 2021, he served as deputy secretary and secretary of the discipline inspection committee of the same company. From August 2021 to October 2023, Mr. Li served as general manager at Hangzhou Zhuyangxin Pharmaceutical Co., Ltd. (杭州朱養心藥業有限公司), and from October 2023 to August 2025, he served as chairman of the board. Mr. Li has served as a director of Hangzhou MSD Pharmaceutical Co., Ltd. (杭州默沙東製藥有限公司) since February 2018.

Mr. Li graduated from Zhejiang Radio and Television University (浙江廣播電視大學) in July 1993, majoring in mechanical engineering. He graduated from the Party School of the Central Committee of the Communist Party of China (中共中央黨校) in December 2003, majoring in administrative management. He graduated from Peking University (北京大學) in January 2013, majoring in applied pharmacy. Mr. Li obtained his master's degree in project management from the University of Quebec at Chicoutimi in June 2014.

Ms. Lu Jian (盧建女士), aged 54, has served as deputy general manager of the Company since August 2020. Ms. Lu was appointed as our Director on February 9, 2023. She was re-designated as our executive Director on January 5, 2026. She is primarily responsible for the management of clinical trials, pharmacovigilance, and registration affairs related to clinical development.

Ms. Lu has extensive leadership experience in pharmaceutical research and clinical management. Prior to joining the Group, from July 1996 to March 2003, she worked at Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd. (杭州中美華東製藥有限公司). Ms. Lu worked at Hangzhou Huadong Medicine Group Pharmaceutical Research Institute Co., Ltd. (杭州華東醫藥集團新藥研究院有限公司) from April 2003 to July 2020, where she served as clinical director, responsible for clinical research, pharmacovigilance, and clinical registration work.

Ms. Lu obtained a bachelor's degree in traditional Chinese medicine from Zhejiang Chinese Medical University (浙江中醫藥大學) in July 1996 and a master's degree in pharmacology from Zhejiang University (浙江大學) in June 2005. She is a certified senior engineer.

Non-executive Directors

Mr. Zhang Yuhao (張宇昊先生), aged 44, has served as our Director since February 2023. He was re-designated as our non-executive Director on January 5, 2026. He is primarily responsible for providing guidance and advice on corporate and business strategies.

Mr. Zhang has over 15 years of experience in investment management, capital operations, and technology-related industries. From August 2006 to July 2010, he worked at Chengzhi Life Science Co., Ltd. (誠志生命科技有限公司). After that, he worked at GE Medical Systems Trade & Development (Shanghai) Co., Ltd. (通用電氣醫療系統貿易發展(上海)有限公司) from August 2010 to December 2012 as a product manager, responsible for pre-sale and after-sale product support. From January 2013 to January 2015, Mr. Zhang served as investment director at Vertex Venture Holdings Ltd Group (祥峰集團有限公司), focusing on venture capital investment and portfolio management. From October 2015 to May 2018, he worked as the board secretary of Changzhou Huasen 3d Technology Co., Ltd. (常州華森三維科技股份有限公司), overseeing corporate financing and investment-related matters. He has been serving as a senior investment manager at Shenzhen Capital Group Co., Ltd. (深圳市創新投資集團有限公司) since May 2018, where he is responsible for equity investment and post-investment management.

Mr. Zhang has served as a director of Suzhou Teligene Biotechnology Co., Ltd. (蘇州韜略生物科技股份有限公司) ("Suzhou Teligene") since July 2025. Suzhou Teligene is a biopharmaceutical company principally engaged in the discovery and industrialization of innovative small-molecule drugs. Given that (i) Mr. Zhang does not participate in the day-to-day management or operations of the Company in his capacity as a non-executive Director, (ii) although Suzhou Teligene has a BTK-targeted pipeline and the Company has a BTK inhibitor product line, such pipelines do not overlap as they focus on different indications, (iii) the Company will implement internal control and corporate governance measures designed to provide continual oversight of any potential overlap or competition, including periodic monitoring of Suzhou Teligene's pipeline progress and a structured reporting process to the Board for follow-up where required, and (iv) save as disclosed above, there is no other overlapping product between our Group and Suzhou Teligene, the directorship held by Mr. Zhang at Suzhou Teligene would not give rise to any material competition concerns under Rule 8.10 of the Listing Rules.

Mr. Zhang obtained his bachelor's degree in June 2003 and a master's degree in June 2006, both in chemical engineering from Tsinghua University (清華大學). He was awarded the qualification of engineer by the Changzhou Municipal Human Resources and Social Security Bureau (常州市人力資源和社會保障局) in August 2016 and holds the Securities Investment Fund Practitioner Certificate (中國證券投資基金從業證書) issued by the Asset Management Association of China (中國證券投資基金業協會) in November 2018.

Mr. Zhou Mi (周密先生), aged 48, has served as our Director since May 31, 2021. He was re-designated as our non-executive Director on January 5, 2026. He is primarily responsible for providing guidance and advice on corporate and business strategies.

Mr. Zhou has over 20 years of experience in investment management and capital operations. He served as an assistant at the Shanghai Representative Office of Parkway Group Healthcare (Singapore) (新加坡百匯醫療集團私人有限公司上海代表處) until May 2006. In June 2006, he worked as a business analyst at the Shanghai Office of McKinsey & Company. In February 2008, he then served as an investment manager at the Beijing Office of Orchid Asia (蘭馨亞洲投資集團). Since October 2009, he held the position of investment director at Matrix Partners China (經緯中國). Since January 2016, he has served as the managing partner of the healthcare sector at Primavera Capital Group (普華資本).

Mr. Zhou was a director of Yimei Hezhong (Beijing) Medical Management Consulting Co., Ltd. (一美合眾(北京)醫療管理諮詢有限公司) ("**Yimei Hezhong**"). The business license of Yimei Hezhong was revoked on November 12, 2019, due to difficulties in maintaining its business operations. Mr. Zhou has confirmed that (i) he did not incur any debt and/or liabilities as a result of such revocation; (ii) Yimei Hezhong was not involved in any material administrative penalties or civil disputes prior to the revocation of its business license; and (iii) such revocation has not had, and is not expected to have, any material adverse effect on our Group.

Mr. Zhou obtained a bachelor's degree in clinical medicine from Shanghai Medical College of Fudan University (復旦大學上海醫學院) in June 2002. He subsequently obtained his master's degree in pharmacology in clinical pharmacology track in science at the same university in June 2005.

Independent Non-executive Directors

Mr. Li Wai Man Raymond (李偉文先生), aged 64, was appointed as our independent non-executive Director in November 2025. Mr. Li is responsible for supervising and providing independent judgment to our Board.

Mr. Li possesses nearly 40 years of professional experience in asset management, finance, and risk management. Mr. Li began his career as an auditor at KPMG in 1984, later participating in a two-year secondment to the United States from 1988 to 1990 to gain international audit experience. From 1992 to 1994, he served as vice president of Asia Pacific Audit at Bankers Trust, responsible for internal audit functions across the region. From 1994 to 2003, he worked at Standard Chartered Bank as the head of internal audit for Hong Kong and North East Asia and as senior audit manager of the treasury and global markets department. Since 1997, he has been served as a shareholder and director of Wellshine Property Limited. From 2003 to 2010, Mr. Li served as chief administrative officer and head of new ventures, and subsequently as the group head of operational risk and assurance at the group consumer banking division of Standard Chartered Bank in Singapore. He then served as chief operating officer of Singapore Consumer Banking from 2010 to 2012, as regional head of client experience, process and governance from 2013 to 2017, and as managing director and regional chief operating officer from 2017 to 2021. Mr. Li has served as the executive director of Inspire Surgical Limited since June 2021, the executive director of Smart Vista Technologies Company Limited since October 2021, the executive director and responsible officer of Octal Capital Asset Management Limited since January 2023, and an executive director of Elevation Optical Limited since May 2023.

Mr. Li obtained his professional diploma in accountancy from the Hong Kong Polytechnic University in 1984, and his master's degree in applied finance from Macquarie University in Australia in 1997. Mr. Li is a certified public accountant in Hong Kong.

Dr. Su Weike (蘇為科博士), aged 65, was appointed as an independent non-executive Director in November 2025. Dr. Su is responsible for supervising and providing independent judgment to our Board.

Dr. Su has more than 40 years of academic and industry experience in fine chemical synthesis, new material development, and pharmaceutical technology innovation. Dr. Su served at Zhejiang University of Technology (previously known as Zhejiang Institute of Technology (浙江工學院)) as an assistant lecturer from July 1983 to August 1985, and later as an associate professor from July 1988 to November 1993. He is currently a professor at Zhejiang University of Technology (浙江工業大學), where he has been engaged in teaching and scientific research in the fields of organic chemistry, chemical engineering and applied chemistry since December 1993. Dr. Su served as an independent director of Zhejiang Heze Pharmaceutical Technology Co., Ltd. (浙江和澤醫藥科技股份有限公司) from September 2020 to December 2025 and a director of Zhejiang Wild Wind Pharmaceutical Co., Ltd. (浙江野風藥業股份有限公司) from September 2020 to June 2025.

Dr. Su has been holding directorships in the following listed companies:

Company name	Position	Date of appointment and resignation
Yangfan New Materials (Zhejiang) Co., Ltd. (揚帆新材料(浙江)股份有限公司) (a company listed on the Shenzhen stock exchange (stock code: 300637.SZ))	Independent director	Since December 2021
Zhejiang Zhongxin Fluoride Materials Co., Ltd. (浙江中欣氟材股份有限公司) (a company listed on the Shenzhen stock exchange (stock code: 002915.SZ))	Independent director	Since August 2022
Aurisco Pharmaceutical Co., Ltd. (奧鋭特藥業股份有限公司) (a company listed on the Shanghai stock exchange (stock code: 605116.SH))	Independent director	Since May 2023

Company name	Position	Date of appointment and resignation
Brother Enterprises Holding Co., Ltd. (兄弟科技股份有限公司) (a company listed on the Shenzhen stock exchange (stock code: 002562.SZ))	Independent director	From February 2014 to August 2020
Zhejiang Huayuan Biopharmaceutical Co., Ltd. (浙江花園生物醫藥股份有限公司) (a company listed on the Shenzhen stock exchange (stock code: 300401.SZ))	Independent director	From November 2014 to February 2021
Zhejiang Yongtai Technology Co., Ltd. (浙江永太科技股份有限公司) (a company listed on the Shenzhen stock exchange (stock code: 002326.SZ))	Independent director	From February 2015 to July 2019
Zhejiang Hisoar Pharmaceutical Co., Ltd. (浙江海翔藥業股份有限公司) (a company listed on the Shenzhen stock exchange (stock code: 002099.SZ))	Independent director	From October 2016 to November 2022

Dr. Su obtained his bachelor's degree in organic chemical engineering from Zhejiang Institute of Technology (浙江工學院) in June 1983, his master's degree in chemical engineering from Zhejiang University (浙江大學) in June 1988, and his doctoral degree in organic chemistry from Zhejiang University (浙江大學) in March 2001. He was conferred the title of professor of applied chemistry in September 2001, with the qualification certificate issued by the Department of Human Resources of Zhejiang Province (浙江省人事廳) in March 2009. In addition, Dr. Su has received the National Technological Invention Award (Second Class) (國家技術發明獎) conferred by the State Council in December 2007.

Ms. Chu Yik Hei (朱奕郗女士) (formerly known as Zhu Xiaohui (朱曉暉)) aged 36, was appointed as an independent non-executive Director in November 2025. Ms. Chu is responsible for supervising and providing independent judgment to our Board.

Ms. Chu has cross-practice experience. Before entering the legal profession, Ms. Chu worked in the software engineering and technology industry. She held roles at Apple Daily E-Classified Limited from November 2016 to June 2018, and Next Media Management Service Limited from July 2018 to September 2018. From January 2020 to September 2022, she was a senior software engineer and operations executive at Woomera Co. Limited, responsible for project management, technical development, and administrative operations. After that, Ms. Chu began her legal career as trainee solicitor and legal assistant since November 2022 at Samuel L.C. Yang & Co. (楊麟振律師行). She was admitted as a solicitor of the High Court of the Hong Kong Special Administrative Region in March 2025 and is currently a solicitor at Samuel L.C. Yang & Co.

Ms. Chu obtained a bachelor's degree in engineering with Honors from the City University of Hong Kong (香港城市大學) in July 2014, a bachelor of laws degree and graduate diploma in English and Hong Kong law from Manchester Metropolitan University in July 2019, and a postgraduate certificate in laws from the University of Hong Kong (香港大學) in August 2022.

SENIOR MANAGEMENT

The following table sets forth the key information about the senior management of the Company.

Name	Age	Position	Responsibilities	Date of the appointment as senior management	Date of joining the Group
Dr. Lyu Yubin (吕裕斌博士)	46	Executive Director and general manager of the Company	Responsible for the overall strategic planning, innovative drug research and development and business operation of the Company	October 27, 2020	July 29, 2020
Mr. Li Yuedong (李閱東先生)	54	Executive Director and deputy general manager of the Company	Responsible for the commercialization of the Company's products, government and regulatory affairs, and investment and financing matters of the Company	July 1, 2025	May 24, 2024
Ms. Lu Jian (盧建女士)	54	Executive Director and deputy general manager of the Company	Responsible for the management of clinical trials, pharmacovigilance, and registration affairs related to clinical development	August 1, 2020	July 29, 2020
Dr. Zheng Mei (鄭鵬博士)	48	Deputy general manager of the Company	Responsible for overseeing the research and evaluation of innovative drug projects, preclinical studies and CMC development	August 1, 2020	July 29, 2020
Ms. Qing Yali (卿亞麗女士)	51	Deputy general manager of the Company	Responsible for overseeing the Company's drug registration and filing, quality assurance and production management	August 1, 2020	July 29, 2020
Mr. Ye Shuaidong (葉帥東先生)	43	Board secretary and company secretary of the Company	Responsible for coordinating and facilitating the work of the Board	November 7, 2025	December 1, 2021
Ms. Du Ying (杜瑩女士)	36	Financial controller of the Company	Responsible for overseeing the Company's core financial management	February 10, 2023	November 16, 2021

For the biographical details of Dr. Lyu Yubin (吕裕斌博士), Mr. Li Yuedong (李閱東先生), and Ms. Lu Jian (盧建女士), see "— Directors" above in this section.

Dr. Zheng Mei (鄭鵬博士), aged 48, has served as the deputy general manager of the Company since August 2020. She is responsible for overseeing the research and evaluation of innovative drug projects, preclinical studies and CMC development.

Prior to joining the Company, Dr. Zheng worked at Hangzhou Huadong Medicine Group Pharmaceutical Research Institute Co., Ltd. (杭州華東醫藥集團新藥研究院有限公司) from September 2006 to September 2008 as a synthetic researcher, where she was engaged in pharmaceutical synthesis research. From October 2008 to April 2020, she served as the manager of the Second Development Division of Hangzhou Huadong Medicine Group Pharmaceutical Research Institute Co., Ltd. (杭州華東醫藥集團新藥研究院有限公司), where she was responsible for product research, project initiation and overall project development management. She has served as the deputy general manager of the Company since August 2020.

Dr. Zheng obtained her bachelor's degree in fine chemical engineering in June 2001 and her doctoral degree in industrial catalysis in June 2006, both from Zhejiang University of Technology (浙江工業大學). Dr. Zheng was awarded the professional qualification of senior engineer (senior professional title in pharmaceutical synthesis) by the Zhejiang Province Human Resources and Social Security Department (浙江省人力資源和社會保障廳) in March 2011.

Ms. Qing Yali (卿亞麗女士), aged 51, has served as the deputy general manager of the Company since August 2020. Ms. Qing is responsible for overseeing the Company's drug registration and filing, quality assurance and production management.

Ms. Qing has more than 25 years of experience in pharmaceutical research and registration management. She joined Hangzhou Huadong Medicine Group Pharmaceutical Research Institute Co., Ltd. (杭州華東醫藥集團新藥研究院有限公司) in July 1997 as a research scientist and was successively responsible for the development of Sirolimus, Acarbose and Everolimus. From November 2009 to July 2020, she served as the manager of the registration management department at the same institute, responsible for drug registration and quality management. Since August 2020, Ms. Qing has served as the deputy general manager of the Company, responsible for drug registration, quality assurance and production management.

Ms. Qing obtained her bachelor's degree in biochemical engineering from East China University of Science and Technology (華東理工大學) in June 1997 and her master's degree in biochemical engineering from Zhejiang University (浙江大學) in June 2007. She was granted the title of senior engineer by Zhejiang Province Human Resources and Social Security Department (浙江省人力資源和社會保障廳) in March 2010.

Mr. Ye Shuaidong (葉帥東先生), aged 43, has served as the Board secretary of the Company since November 2025. Mr. Ye is responsible for coordinating and facilitating the work of the Board.

Mr. Ye has over 15 years of experience in biopharmaceutical research and development, business development, and corporate financing. From March 2008 to January 2014, he worked at Hangzhou Anruipu Biological Products Research Co., Ltd. (杭州安瑞普生物製品研究有限公司) as the head of the purification and quality inspection laboratory, where he was responsible for downstream purification process development and optimization for macromolecular and antibody-based biologic medicines, as well as the establishment of quality control systems. From May 2014 to July 2021, he served as the business development manager at Huya Bioscience International (Shanghai) Limited (滬亞生物醫藥技術(上海)有限公司), focusing on the identification, evaluation and in-licensing of innovative medicine candidates. Mr. Ye joined our Group in December 2021 and has held positions including business director, assistant to the general manager and director of the investment and financing department, responsible for corporate financing activities, investor relations management, IPO preparation and business development for innovative drug.

Mr. Ye was a supervisor of Zhejiang Sujing Biotechnology Co., Ltd. (浙江速菁生物科技有限公司) ("**Zhejiang Sujing**"). The business license of Zhejiang Sujing was revoked on June 21, 2024, due to cessation of business operations and failure to complete annual inspections in a timely manner under the PRC laws. Mr. Ye has confirmed that (i) he did not incur any debt and/or liabilities as a result of such revocation; (ii) Zhejiang Sujing was not involved in any administrative penalties or civil disputes prior to the revocation of its business license; and (iii) such revocation has not had, and is not expected to have, any material adverse effect on our Group.

Mr. Ye received a bachelor's degree in agricultural science from Huazhong Agricultural University (華中農業大學) and a master's degree in agricultural science from Ningbo University (寧波大學). He was qualified as a patent agent by the China National Intellectual Property Administration (國家知識產權局) in February 2012.

Ms. Du Ying (杜瑩女士), aged 36, has been serving as the financial controller of the Company since February 2023. She is primarily responsible for overseeing the Company's core financial management.

Ms. Du has over 13 years of experience in corporate finance and accounting. Prior to joining the Company, Ms. Du worked at Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd. (杭州中美華東製藥有限公司) from July 2011 to November 2021, where she successively served as an accountant, pharmaceutical service center control specialist, and director of pharmaceutical service center. Ms. Du joined the Company in November 2021 and served as deputy financial manager until February 2023.

Ms. Du graduated from Wuhan Institute of Bioengineering (武漢生物工程學院) with a major in financial management in June 2011. She subsequently graduated from Central China Normal University (華中師範大學) with a major in accounting in December 2011.

GENERAL

As of the Latest Practicable Date, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries,

(i) save as disclosed above, none of the Directors or senior management has held any 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) except for the family relationship between Mr. Li Bangliang and Mr. Li Yuedong (Mr. Li Bangliang is Mr. Li Yuedong's father), none of the Directors or members of the senior management of the Company were related to any other Directors and members of the senior management;

(iii) save as disclosed in "Statutory and General Information," none of the Directors or chief executive officer of the Company held any interest in the Shares which would be required to be disclosed pursuant to Part XV of the Securities and Futures Ordinance; and

(iv) there was no additional matter with respect to the appointment of the Directors that needs to be brought to the attention of the Shareholders, and there was no additional information relating to the Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

As of the Latest Practicable Date, none of our Directors and their respective close associates had any interest in any business which competes or is likely to compete, either directly or indirectly with our Group's business (being R&D of innovative drugs) which would require disclosure under Rule 8.10 of the Listing Rules.

As of the Latest Practicable Date, Mr. Li Bangliang was deemed to be interested in 34,831,335 shares (representing 14.19% of the total issued shares) of Hangzhou Jiuyuan Genetic Biopharmaceutical Co., Ltd. (杭州九源基因生物醫藥股份有限公司, "**Jiuyuan Gene**"), a company listed on the Stock Exchange (stock code: 02566). Among the 34,831,335 shares, 2,333,184 shares were directly held by Mr. Li Bangliang, and 32,498,151 shares were held by Hangzhou Huasheng Pharmaceutical Group Co., Ltd. (杭州華昇醫藥集團有限公司, "**Hangzhou Huasheng**"), a company wholly owned by Hangzhou Wanyuhe, which is in turn owned as to 99% by Mr. Li Bangliang. Therefore, Mr. Li Bangliang was deemed to be interested in the shares held by Hangzhou Huasheng under the SFO.

As of the Latest Practicable Date, the Company and Jiuyuan Gene operate independently in terms of personnel, business operations, assets, financial management and operational decision-making.

The Company and Jiuyuan Gene are principally engaged in different pharmaceutical segments and focus on distinct therapeutic areas. Jiuyuan Gene's business is primarily focused on generic drugs and biosimilars, supplemented by a limited number of innovative drug candidates. Its key therapeutic areas include metabolic diseases, particularly weight management, and bone repair-related indications, with a primary focus on the endocrinology/metabolism and orthopaedics departments. In terms of technology platforms and product modalities, Jiuyuan Gene mainly focuses on peptide-based products, fusion proteins and antibody therapeutics.

In contrast, the Company is a commercial-stage biotechnology company principally engaged in the discovery, development and commercialization of innovative therapies for oncology and autoimmune diseases. The Company's core therapeutic areas are oncology, particularly hematologic malignancies, and autoimmune diseases, particularly hematology-related autoimmune disorders. The Company's product and product candidates are based on innovative small-molecule technologies and are designed to treat hematological and autoimmune diseases, with its hematology-focused products and product candidates primarily intended for use in hematology departments.

Although Jiuyuan Gene has a limited presence in oncology and hematology-related therapeutic areas, its products and product candidates are fundamentally different from those of the Company in terms of therapeutic objectives, target patient populations and clinical applications. Most of Jiuyuan Gene's oncology-related products are supportive care therapies intended to alleviate adverse reactions associated with chemotherapy for solid tumours, rather than therapies for treating primary malignancies. Accordingly, Jiuyuan Gene primarily serves patients experiencing chemotherapy-induced complications, whereas the Company's product and product candidates are intended to directly treat patients suffering from primary hematologic malignancies and autoimmune diseases.

Accordingly, the Company and Jiuyuan Gene target different therapeutic areas, patient populations, clinical needs and treatment settings. Accordingly, the Directors believe that the Company does not compete, directly or indirectly, with Jiuyuan Gene in any material respect.

From time to time our non-executive Directors may serve on the boards of both private and public companies within the broader healthcare and biopharmaceutical industries. However, as these non-executive Directors are not members of our executive management team, we do not believe that their interests in such companies as directors would render us incapable of carrying on our business independently from the other companies in which these Directors may hold directorships from time to time.

Rule 3.09D of the Listing Rules

Each of our Directors confirmed that he or she (i) had obtained the legal advice referred to under Rule 3.09D of the Listing Rules on January 4, 2026; and (ii) understood his or her obligations as a director of a [**REDACTED**] issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of our independent non-executive Directors had confirmed (i) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules; (ii) that he or she had no past or present financial or other interest in the business of the Company or its subsidiary or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date; and (iii) that there were no other factors that may affect his or her independence at the time of his or her appointments. Each of our independent non-executive Directors will inform us and the Stock Exchange as soon as practicable if there is any subsequent change of circumstances which may affect his or her independence.

JOINT COMPANY SECRETARIES

The Company has appointed Mr. Ye Shuaidong and Ms. Li Yee Ching as our joint company secretaries on December 20, 2025, with effect from the [**REDACTED**].

Mr. Ye Shuaidong (葉帥東先生) is one of our joint company secretaries. For the biographical details of Mr. Ye, please refer to "— Senior Management."

Ms. Li Yee Ching (李漪澄女士), aged 35, was appointed as one of our joint company secretaries in December 2025. Ms. Li brings over 10 years of experience in company secretarial services and corporate governance. She currently serves as the assistant manager at Vistra Corporate Services (HK) Limited, an integrated provider offering business, corporate and investor services.

Ms. Li obtained her bachelor's degree in integrated business administration from Chinese University of Hong Kong and her master's degree in corporate governance from Hong Kong Metropolitan University (formerly known as The Open University of Hong Kong). She has been an associate member of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and an associate member of The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in United Kingdom since 2019.

BOARD COMMITTEES

We have established three Board Committees in accordance with the relevant PRC laws and regulations, the Articles of Association and the Corporate Governance Code, namely the Audit Committee, the Nomination Committee, and the Remuneration and Appraisal Committee.

Audit Committee

We have established an 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 three Directors, namely Mr. Li Wai Man Raymond, Dr. Su Weike and Ms. Chu Yik Hei, with Mr. Li Wai Man Raymond currently serving as the chairperson. Mr. Li Wai Man Raymond has the appropriate professional experience as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee include, but are not limited to (i) proposing the appointment or change of external auditors to our Board, monitoring the independence of external auditors and evaluating their performance; (ii) examining the financial information of the Company and reviewing financial reports and statements of the Company; and (iii) examining the financial reporting system, the risk management and internal control system of the Company, overseeing their rationality, efficiency and implementation and making recommendations to our Board.

Nomination Committee

We have established a 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 consists of three Directors, namely Dr. Su Weike, Ms. Chu Yik Hei and Dr. Lyu Yubin, with Dr. Su Weike currently serving as the chairperson. The primary duties of the Nomination Committee include, but are not limited to (i) conducting extensive search and providing our Board with suitable candidates for our Directors, general managers and other members of the senior management; (ii) reviewing the structure, size and composition of our Board (including but not limited to, gender, age, cultural and educational background, ethnicity, skills, knowledge and experience) at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; (iii) researching and developing standards and procedures for the election of our Board members, general managers and members of the senior management, and making recommendations to our Board; and (iv) assessing the independence of the independent non-executive Directors.

Remuneration and Appraisal Committee

We have established a 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 and Appraisal Committee consists of three Directors, namely Ms. Chu Yik Hei, Mr. Li Wai Man Raymond and Mr. Li Bangliang, with Ms. Chu Yik Hei currently serving as the chairperson. The primary duties of the Remuneration and Appraisal Committee include, but are not limited to (i) advising our Board on the overall remuneration plan and structure of our Directors and senior management and the establishment of transparent and formal procedures for determining the remuneration policy of the Company; (ii) monitoring the implementation of the remuneration system of the Company; and (iii) making recommendations on the remuneration packages of our Directors and senior management.

KEY TERMS OF EMPLOYMENT CONTRACTS

We normally enter into (i) employment contracts and (ii) confidentiality, intellectual property and non-competition agreements with our key management members and technical staff. Set forth below are the key terms of these contracts or agreements we normally enter into with these individuals.

Confidentiality

During the course of employment and thereafter, the employee is required to maintain strict confidentiality regarding all proprietary and confidential information of the Company, including but not limited to commercial and technical secrets, customer information, business strategies, and any other data that is deemed confidential by the Company. The employee is prohibited from using or disclosing this information without the Company's consent, except as necessary to discharge his or her duties as an employee of the Group. Upon termination of employment, the employee must return all documents and materials containing confidential information to the Company and continue to uphold confidentiality obligations as long as the information remains non-public.

Non-competition

The employee agrees not to engage in any activities that would compete with the Company's business during his or her employment for a period of two years following the termination of his or her employment. This includes not holding any position or providing any services to competitors, directly or indirectly. The employee is also prohibited from soliciting or inducing other employees to leave the Company or from engaging in any business that could harm the Company's competitive position. The employee must also avoid any actions that could interfere with the Company's business relationship with its clients.

Intellectual Property Rights

Any inventions, works, designs, or other intellectual property developed by the employee during his or her employment shall belong exclusively to the Company. This includes all patents, copyrights, trademarks, and other intellectual property rights. The employee is required to transfer all such rights to the Company and cooperate in registering these rights as necessary.

CORPORATE GOVERNANCE CODE

The Company is committed to achieving a high standard of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, the Company intends to comply with the Corporate Governance Code set out in Appendix C1 to the Listing Rules and the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules after the [**REDACTED**].

BOARD DIVERSITY POLICY

We have adopted the board diversity policy which sets out the objective and approach for achieving and maintaining the diversity of the Board in order to enhance its effectiveness. In accordance with the board diversity policy, the Company seeks to achieve board diversity by taking into account a number of factors, including but not limited to gender, age, industry experience, cultural and education background, professional experience, skills, knowledge and/or 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 the Board and also the specific needs of the Company without focusing on a single diversity aspect. Our Directors have a balanced mix of knowledge and skills, including overall management and strategic development as well as knowledge and experience in areas such as overall management and strategic development. They obtained degrees in various areas including pharmaceutical engineering, chemical engineering, and law. Furthermore, our Board has a diverse age and gender representation. Our Board currently comprises two female Directors and seven male Directors, ranging from 35 years old to 79 years old.

With regard to gender diversity on the Board, we recognize the particular importance of gender diversity. We have taken and will continue to take steps to promote and enhance gender diversity at all levels of the Company, including but without limitation at our Board and senior management levels. We will maintain a focus on gender diversity when recruiting staff at the mid to senior level so as to develop a pipeline of potential female successors to our Board. The Group will also identify and select several female individuals with a diverse range of skills, experience and knowledge in different fields from time to time and maintain a list of such female individuals who possess qualities to become our Board members, which will be reviewed by the Nomination Committee periodically to maintain gender diversity of our Board. Taking into account our existing business model and specific needs as well as the different backgrounds of our Directors, the composition of our Board satisfies our board diversity policy.

Upon the [**REDACTED**], the Nomination Committee will from time to time discuss and agree on expected goals to ensure board diversity, and review and, where necessary, update the board diversity policy to ensure that the policy remains effective. The Company will disclose the biographical details of each Director and report on the implementation of the board diversity policy (including whether we have achieved board diversity) in its annual corporate governance report.

DIRECTORS' REMUNERATION AND REMUNERATION OF THE FIVE HIGHEST-PAID INDIVIDUALS

The Directors and senior management members who receive remuneration from the Company are paid in the form of salaries and other benefits in kind, discretionary bonuses, retirement benefit scheme contributions and share-based payment. The remuneration of the Directors and senior management members is determined with reference to the remuneration paid by comparable companies and the achievement of major operating indicators of the Company.

The aggregate amount of remuneration (including salaries and other benefits in kind, discretionary bonuses, retirement benefit scheme contributions and share-based payment) and other benefits in kind incurred by the Directors and supervisors for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026 amounted to RMB6.2 million, RMB86.0 million and RMB8.5 million, respectively. The aggregate amount of remuneration (including salaries and other benefits in kind, discretionary bonuses, retirement benefit scheme contributions and share-based payment) and other benefits in kind paid to the five highest-paid individuals (who are not Directors or supervisors) of the Group for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026 amounted to RMB2.1 million, RMB7.4 million and RMB1.2 million, respectively.

Under the current compensation arrangement, we estimate the total compensation before taxation, including estimated share-based compensation, to be accrued to our Directors for the year ending December 31, 2026 to be approximately RMB14.58 million. The actual remuneration of Directors for the year ending December 31, 2026 may be different from the expected remuneration.

We confirmed that during the Track Record Period, no remuneration was paid by the Company to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining the Company or as compensation for loss of office in connection with the management positions of the Company or any subsidiary of the Company.

During the Track Record Period, none of our Directors waived any remuneration. Save as disclosed above, no other payments have been paid, or are payable, by the Company or our subsidiary to our Directors or the five highest-paid individuals during the Track Record Period.

COMPLIANCE ADVISER

The Company has appointed Somerley Capital Limited as our Compliance Adviser in compliance with Rules 3A.19 of the Listing Rules. The Compliance Adviser will provide us with guidance and advice as to compliance with the Listing Rules and other applicable laws, rules, codes and guidelines. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Adviser will advise the 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 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 Stock Exchange makes an inquiry to the Company in accordance with Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, the Compliance Adviser will, on a timely basis, inform the Company of any amendment or supplement to the Listing Rules that are announced by the Stock Exchange. The Compliance Adviser will also inform the Company of any new or amended laws and regulations in Hong Kong applicable to us, and advise us on the continuing requirements under the Listing Rules and applicable laws and regulations.

The term of the appointment will commence on the [**REDACTED**] and is expected to end on the date on which the 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**].

BEFORE THE COMPLETION OF THE [REDACTED]

As of the Latest Practicable Date, the issued share capital of the Company was RMB50,838,962 comprising 50,838,962 Shares with a nominal value of RMB1.00 each.

UPON THE COMPLETION OF THE [REDACTED]

Immediately following the completion of the [**REDACTED**] and conversion of Domestic Shares into H Shares, assuming that the [**REDACTED**] is not exercised, the share capital of the Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total share capital of the Company
		(%)
Domestic Shares	–	–
H Shares to be converted from Domestic Shares[(1)]	[**REDACTED**]	[**REDACTED**]
H Shares to be issued under the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Total	[**REDACTED**]	**100.00**

(1) For details of the identities of the Shareholders whose Shares will be converted into H Shares upon the [**REDACTED**], see "History, Development and Corporate Structure — Capitalization of the Company."

Immediately following the completion of the [**REDACTED**] and conversion of Domestic Shares into H Shares, assuming that the [**REDACTED**] is fully exercised, the share capital of the Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total share capital of the Company
		(%)
Domestic Shares in issue	–	–
H Shares to be converted from Domestic Shares[(1)]	[**REDACTED**]	[**REDACTED**]
H Shares to be issued under the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Total	[**REDACTED**]	**100.00**

(1) For details of the identities of the Shareholders whose Shares will be converted into H Shares upon the [**REDACTED**], see "History, Development and Corporate Structure — Capitalization of the Company."

OUR SHARES

The H Shares, to be issued following the completion of the [**REDACTED**] and converted from the Domestic Shares, and the Domestic Shares are ordinary Shares in the share capital of the Company. Apart from certain qualified domestic institutional [**REDACTED**] in the PRC, qualified PRC [**REDACTED**] under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and other persons entitled to hold H Shares pursuant to the relevant PRC laws and regulations or upon approval by any competent authorities, H Shares generally may not be [**REDACTED**] by, or [**REDACTED**] between, [**REDACTED**] of the PRC. H Shares may only be [**REDACTED**] and [**REDACTED**] in Hong Kong dollars.

Domestic Shares and H Shares are regarded as one class of Shares under our Articles of Association and will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. Dividends in respect of our Shares may be paid by us in Hong Kong dollars or Renminbi, as the case may be. In addition to cash, dividends may be distributed in the form of Shares.

CONVERSION OF DOMESTIC SHARES INTO H SHARES

The Domestic Shares are currently not [**REDACTED**] or [**REDACTED**] on any stock exchange.

According to the regulations by the CSRC and our Articles of Association, the holders of these Domestic Shares may, at their own option, authorize the Company to apply to the CSRC for conversion of their respective Domestic Shares to H Shares upon the [**REDACTED**], and such converted Shares may be [**REDACTED**] and [**REDACTED**] on an overseas stock exchange provided that the conversion, [**REDACTED**] and [**REDACTED**] of such converted Shares have been approved by the securities regulatory authorities of the State Council. Additionally, such conversion, [**REDACTED**] and [**REDACTED**] shall meet any requirement of internal approval process and in all respects comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

If any of the Domestic Shares are to be converted, [**REDACTED**] and [**REDACTED**] as H Shares on the Stock Exchange, the approvals of any internal approval process and/or the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange are necessary for such conversion. Based on the procedures for the conversion of Domestic Shares into H Shares as set forth below, we will apply for the [**REDACTED**] of all or any portion of the Domestic Shares on the Stock Exchange as H Shares in advance of any proposed conversion after the [**REDACTED**] to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the [**REDACTED**]. As the [**REDACTED**] of additional Shares after the [**REDACTED**] on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it does not require such prior application for [**REDACTED**] at the time of our [**REDACTED**] in Hong Kong. No Shareholder voting is required for the conversion of such Shares or the [**REDACTED**] and [**REDACTED**] of such converted Shares on an overseas stock exchange. Any application for [**REDACTED**] of the converted shares on the Stock Exchange after our [**REDACTED**] is subject to prior notification by way of announcement to inform our Shareholders and the public of any proposed conversion.

After all the requisite approvals have been obtained, the relevant Domestic Shares will be withdrawn from the Share register, and the Company will re-register such Shares on the [**REDACTED**] maintained in Hong Kong and instruct the [**REDACTED**] to issue H Share certificates. Registration on the [**REDACTED**] of the Company will be on the conditions that (i) the [**REDACTED**] lodges with the Stock Exchange a letter confirming the proper entry of the relevant H Shares on the [**REDACTED**] and the due dispatch of H Share certificates; and (ii) the admission of the H Shares to be [**REDACTED**] on the Stock Exchange complies with the Listing Rules and the General Rules of HKSCC and the HKSCC Operational Procedures in force from time to time. Until the converted Shares are re-registered on the [**REDACTED**] of the Company, such Shares would not be [**REDACTED**] as H Shares.

DOMESTIC PROCEDURES

The Shareholders who apply for H Share Full Circulation ("**Full Circulation Participating Shareholders**") may only [**REDACTED**] the Shares upon completion of the below arrangement procedures for the registration, deposit and transaction settlement in relation to the conversion and [**REDACTED**]:

(i) We will appoint CSDC as the nominal holder to deposit the relevant securities at CSDC (Hong Kong), which will then deposit the securities at [**REDACTED**] in its own name. CSDC, as the nominal holder of the Full Circulation Participating Shareholders, shall handle all custody, maintenance of detailed records, cross-border settlement and corporate actions, etc. relating to the converted H Shares for the Full Circulation Participating Shareholders;

(ii) We will engage a domestic securities company (the "**Domestic Securities Company**") to provide services such as the transmission of sale orders and trading messages in respect of the converted H Shares. The Domestic Securities Company will engage a Hong Kong securities company (the "**Hong Kong Securities Company**") for settlement of share transactions. We will make an application to CSDC, Shenzhen Branch for the maintenance of a detailed record of the initial holding of the converted H Shares held by our Shareholders. Meanwhile, we will submit applications for a domestic transaction commission code and abbreviation, which shall be confirmed by CSDC, Shenzhen Branch as authorized by Shenzhen Stock Exchange ("**SZSE**");

(iii) The SZSE shall authorize Shenzhen Securities Communication Co., Ltd. to provide services relating to transmission of trading orders and trading messages in respect of the Converted H Shares between the Domestic Securities Company and the Hong Kong Securities Company, and the real-time market forwarding services of the H Shares;

(iv) According to the Notice of the SAFE on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》), the Full Circulation Participating Shareholders that held Domestic Shares shall complete the overseas shareholding registration with the local foreign exchange administration bureau before the Shares are sold, and after the overseas shareholding registration, open a specified bank account for the holding of overseas shares by domestic investors at a domestic bank with relevant qualifications and open a fund account for the H Share "Full Circulation" at the Domestic Securities Company. The Domestic Securities Company shall open a securities trading account for the H Share "Full Circulation" at the Hong Kong Securities Company; and

(v) The Full Circulation Participating Shareholders shall submit trading orders of the converted H Shares through the Domestic Securities Company. Trading orders of the Full Circulation Participating Shareholders for the relevant Shares will be submitted to the Stock Exchange through the securities trading account opened by the Domestic Securities Company at the Hong Kong Securities Company. Upon completion of the transaction, settlements between each of the Hong Kong Securities Company and CSDC (Hong Kong), CSDC (Hong Kong) and CSDC, CSDC and the Domestic Securities Company, and the Domestic Securities Company and the Full Circulation Participating Shareholders, will all be conducted separately.

As a result of the conversion, the shareholding of the relevant Full Circulation Participating Shareholders in our share capital registered shall be reduced by the number of Domestic Shares converted and increased by the number of H Shares so converted.

A Shareholder holding Domestic Shares not converted into H Shares can work with the Company according to the Articles of Association and follow the procedures set out in this document to convert the Domestic Shares into H Shares after the [**REDACTED**] if they want, provided that such conversion of Domestic Shares into and [**REDACTED**] and [**REDACTED**] of H Shares will be subject to the approval of the relevant PRC regulatory authorities, including the CSRC, the approval of the Stock Exchange and the satisfaction of the public float requirement under the Listing Rules by the Company.

RESTRICTIONS OF SHARE TRANSFER

In accordance with the PRC Company Law, the shares issued prior to any [**REDACTED**] of shares by a company cannot be transferred within one year from the date on which such publicly [**REDACTED**] shares are [**REDACTED**] and traded on the relevant stock exchange. As such, the Shares issued by the Company prior to the issue of H Shares will be subject to such statutory restriction on transfer within a period of one year from the [**REDACTED**].

GENERAL MANDATE TO ISSUE SHARES

Subject to the [**REDACTED**] becoming unconditional, our Directors have been granted a general unconditional mandate to allot, issue and deal with Shares. See "Appendix VII — Statutory and General Information — Further Information about the Company — Resolutions of Our Shareholders" for further details.

SHAREHOLDERS' GENERAL MEETING

For details of circumstances under which our Shareholders' general meeting is required, see "Appendix V — Summary of Principal Legal and Regulatory Provisions" and "Appendix VI — Summary of Articles of Association."

The Directors and members of the senior management of the Company shall declare their shareholdings in the Company and any changes in their shareholdings. Shares transferred by the Directors and members of the senior management each year during the term of office as determined at the time of their appointment shall not exceed 25% of their total respective shareholdings in the Company. The Shares that the aforementioned persons held in the Company cannot be transferred within one year from the date on which the Shares are [**REDACTED**] and [**REDACTED**], nor within half a year after they leave their positions in the Company. The Articles of Association may contain other restrictions on the transfer of the Shares held by the Directors and members of senior management of the Company.

SUBSTANTIAL SHAREHOLDERS

As far as the Directors are aware, immediately following the completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised) and the conversion of the Domestic Shares into H Shares, the following persons will have an interest and/or short position in the Shares or underlying Shares which will be required to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, 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 the Company:

		As of the Latest Practicable Date		Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)		
Name of Shareholder	Nature of interest	Number and description of the Shares	Approximate percentage of interest in the Company	Number of the H Shares	Approximate percentage of interest in the H Shares[(1)]	Approximate percentage of interest in the Company[(1)]
Mr. Li Bangliang (李邦良)	Interest in controlled corporation[(2)]	15,885,000 Domestic Shares	31.25%	[**REDACTED**]	[REDACTED]%	[REDACTED]%
Hangzhou Wanyuhe	Beneficial Owner[(2)]	7,500,000 Domestic Shares	14.75%	[**REDACTED**]	[REDACTED]%	[REDACTED]%
Hangzhou Sanrui	Beneficial Owner[(2)]	6,000,000 Domestic Shares	11.80%	[**REDACTED**]	[REDACTED]%	[REDACTED]%
Dr. Lyu Yubin (呂裕斌)	Interest in controlled corporation[(3)]	14,115,000 Domestic Shares	27.76%	[**REDACTED**]	[REDACTED]%	[REDACTED]%
Hangzhou Jiuyin	Beneficial Owner[(3)]	14,115,000 Domestic Shares	27.76%	[**REDACTED**]	[REDACTED]%	[REDACTED]%
Binhai Industry Fund	Beneficial Owner[(4)]	5,244,755 Domestic Shares	10.32%	[**REDACTED**]	[REDACTED]%	[REDACTED]%
Shaoxing Binhai New Area Development Group Co., Ltd. (紹興濱海新區發展集團有限公司) ("Shaoxing Binhai Development")	Interest in controlled corporation[(4)]	5,244,755 Domestic Shares	10.32%	[**REDACTED**]	[REDACTED]%	[REDACTED]%
Shaoxing Binhai New Area Science and Technology Innovation Industry Development Co., Ltd. (紹興濱海新區科創產業發展有限公司) ("Shaoxing Binhai Kechuang")	Interest in controlled corporation[(4)]	5,244,755 Domestic Shares	10.32%	[**REDACTED**]	[REDACTED]%	[REDACTED]%
Shanghai Shengzhong Investment Management Co., Ltd. (上海盛重投資管理有限公司) ("Shanghai Shengzhong")	Interest in controlled corporation[(4)]	5,244,755 Domestic Shares	10.32%	[**REDACTED**]	[REDACTED]%	[REDACTED]%
Shaoxing Binhai New Area Holding Group Co., Ltd. (紹興濱海新區控股集團有限公司) ("Shaoxing Binhai Holding")	Interest in controlled corporation[(4)]	5,244,755 Domestic Shares	10.32%	[**REDACTED**]	[REDACTED]%	[REDACTED]%

SUBSTANTIAL SHAREHOLDERS

		As of the Latest Practicable Date		Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)		
Name of Shareholder	Nature of interest	Number and description of the Shares	Approximate percentage of interest in the Company	Number of the H Shares	Approximate percentage of interest in the H Shares[(1)]	Approximate percentage of interest in the Company[(1)]
Shaoxing Transportation Holdings Group Co., Ltd. (紹興市交通控股集團有限公司) ("Shaoxing Transportation Group") . .	Interest in controlled corporation[(4)]	5,244,755 Domestic Shares	10.32%	[REDACTED]	[REDACTED]%	[REDACTED]%
China Grand Prosperity Investment Co., Ltd. (北京盛世宏明投資基金管理有限公司) ("Grand Prosperity Investment").	Interest in controlled corporation[(4)]	5,244,755 Domestic Shares	10.32%	[REDACTED]	[REDACTED]%	[REDACTED]%
Shanghai Shengshi Hongming Investment Group Co., Ltd. (上海盛世鴻明投資集團有限公司) ("Shengshi Hongming")	Interest in controlled corporation[(4)]	5,244,755 Domestic Shares	10.32%	[REDACTED]	[REDACTED]%	[REDACTED]%
Jiang Mingming (姜明明)	Interest in controlled corporation[(4)]	5,244,755 Domestic Shares	10.32%	[REDACTED]	[REDACTED]%	[REDACTED]%

(1) The calculation is based on the total number of [**REDACTED**] H Shares in issue upon [**REDACTED**] comprising (i) an aggregate [**REDACTED**] H Shares to be converted from the Domestic Shares and (ii) [**REDACTED**] H Shares to be issued pursuant to the [**REDACTED**] (without taking into account the H Shares which may be issued upon the exercise of the [**REDACTED**]). All of the Domestic Shares as of the Latest Practicable Date will be converted into H Shares upon completion of the [**REDACTED**].

(2) As of the Latest Practicable Date, Mr. Li Bangliang owned 99.0% of the equity interest in Hangzhou Wanyuhe and 80.0% of the partnership interest in Hangzhou Sanrui as its general partner. In addition, Mr. Li is the general partner of Hangzhou Liuyintai. Accordingly, Mr. Li Bangliang is deemed to be interested in an aggregate of 15,885,000 Shares held by Hangzhou Wanyuhe, Hangzhou Sanrui and Hangzhou Liuyintai under the SFO.

(3) As of the Latest Practicable Date, Dr. Lyu Yubin owned approximately 67.2% of the equity interest in Hangzhou Jiuyin. Accordingly, Dr. Lyu Yubin is deemed to be interested in the 14,115,000 Shares held by Hangzhou Jiuyin under the SFO.

(4) As of the Latest Practicable Date, the general partner of Binhai Industry Fund is Shanghai Shengzhong, which is indirectly owned as to 74.72% by Shengshi Hongming through Grand Prosperity Investment. The largest shareholder of Shengshi Hongming is Jiang Mingming (姜明明), holding approximately 57.44% of registered capital. Binhai Industry Fund has two limited partners: Shaoxing Binhai Development and Shaoxing Binhai Kechuang, holding 51.99% and 48.00% of partnership interest, respectively, both of which are wholly-owned by Shaoxing Binhai Holding. Shaoxing Binhai Holding is owned as to approximately 51.62% by Shaoxing Transportation Group. Shaoxing Transportation Group is owned as to 90.00% by Shaoxing Municipal People's Government State-owned Assets Supervision and Administration Commission (紹興市人民政府國有資產監督管理委員會). Accordingly, each of Shaoxing Binhai Development, Shaoxing Binhai Kechuang, Shanghai Shengzhong, Shaoxing Binhai Holding, Shaoxing Transportation Group, Grand Prosperity Investment, Shengshi Hongming and Jiang Mingming is deemed to be interested in the 5,244,755 Shares held by Binhai Industry Fund under the SFO.

Save as disclosed above, the Directors are not aware of any person who will, immediately following the completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised) and the conversion of the Domestic Shares into H Shares, have any interest and/or short position in the Shares or underlying shares of the Company which will be required to be disclosed to the Company pursuant to 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 share capital carrying rights to vote in all circumstances at general meeting of the Company or any other member of the Group.

The following discussion and analysis should be read in conjunction with the 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 the HKFRS 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 the 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 commercial-stage biotechnology company focused on oncology and autoimmune diseases, dedicated to translating scientific discoveries into innovative and accessible therapies for patients. Harnessing innovation as our edge and commercialization as our engine, we aim to become a sustainable and fully integrated biopharmaceutical company with end-to-end life-cycle capabilities, transforming scientific advances into meaningful patient benefits. Within these therapeutic areas, we strategically focus on developing oral small molecule drug candidates targeting a broader and differentiated scope of indications than our competitors to address significant prevalence in hematologic malignancies and autoimmune diseases. Enabled by our highly selective small-molecule drug discovery platform and our molecular glue discovery platform, we have established a pipeline that includes an NMPA-approved drug candidate (bezacitinib), one registrational clinical stage candidate (CX1440), and five preclinical stage candidates (CX03, CX12, CX13, CX15 and CX16).

We obtained NDA approval for bezacitinib for the treatment of MF in April 2026, but have not generated any revenue from product sales during the Track Record Period. In 2024 and 2025 and the six months ended June 30, 2025 and 2026, we incurred loss for the year/period of RMB88.4 million, RMB298.5 million, RMB33.3 million and RMB80.2 million, respectively. Such losses primarily resulted from (i) our operating expenses, which equal to the sum of selling and marketing expenses, research and development costs and administrative expenses, and (ii) changes in fair value of redemption liabilities on equity shares.

We expect to incur significant expenses for at least the next several years as we continue to advance our clinical development and preclinical research plans, and to prepare for the commercialization of our Core Products. Subsequent to the [**REDACTED**], our financial performance may fluctuate from period to period due to, among other factors, the development status of our drug candidates, regulatory approval timeline, and commercialization of our drug candidates after approval.

BASIS OF PREPARATION

Our historical financial information has been prepared based on the accounting policies set out in Note 2.3 to the Accountants' Report contained in the Appendix I to this document which conform with all applicable HKFRS Accounting Standards, which collectively includes all Hong Kong Financial Reporting Standards ("**HKFRSs**"), Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). The HKICPA has issued a number of new and amended HKFRS Accounting Standards. For the purpose of preparing this Historical Financial Information, our Group has adopted all applicable new and amended HKFRS Accounting Standards during the Track Record Period, except for any new standards or interpretations that are not yet effective for the Track Record Period. The historical financial information are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our Ability to Successfully Develop and Commercialize Our Drug Candidates

Our business and results of operations depend on our ability to successfully advance our drug development programs, demonstrate favorable safety and efficacy clinical trial results, obtain the requisite regulatory approvals, secure adequate manufacturing capacity, and commercialize our products in targeted markets as planned. We have built a differentiated pipeline in small molecule field across hematologic malignancies and autoimmune diseases, including two clinical-stage candidates, namely bezacitinib and CX1440, and five preclinical-stage candidates, namely CX03, CX12, CX13, CX15 and CX16. See "Business — Our Pipeline" for more information on the development status of our drug candidates.

We have not generated any revenue from the product sales since inception. Once our drug candidates are commercialized, our business and results of operations will be driven by the market acceptance and supply of our commercialized products. To successfully develop and launch our drug candidates, we intend to continue advancing the R&D and commercialization of our Core Products, bezacitinib and CX1440, at a rapid pace, and the preclinical and clinical development of our pipeline assets, and strengthening our technology platform to continuously support our R&D activities. For more details, see "Business — Our Strategies."

Our Operating Expenses Structure

Our results of operations are significantly affected by our operating expense structure, which primarily consists of research and development costs and administrative expenses.

In 2024 and 2025 and the six months ended June 30, 2025 and 2026, our research and development costs amounted to RMB64.5 million, RMB86.5 million, RMB34.1 million and RMB44.0 million, respectively. Our research and development costs increased during the Track Record Period, driven by the accelerated progress of our drug candidates toward clinical development, especially the advancements of our Core Products, bezacitinib and CX1440. We expect our research and development costs to continue to increase for the foreseeable future as we advance our drug candidates to maximize their clinical and commercial potential, as well as to explore and advance the clinical development of our drug candidates for the treatment of additional indications.

During the Track Record Period, our administrative expenses primarily consisted of salary and welfare, share-based payment expenses, depreciation and amortization, professional service fees, business entertainment expenses, office expenses, and others. Our administrative expenses amounted to RMB12.2 million, RMB111.2 million, RMB6.2 million and RMB22.7 million in 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. Our administrative expenses increased during the Track Record Period, primarily due to increases in our share-based payment expenses and [**REDACTED**] expenses.

We expect our expense structure to evolve as we continue to develop and expand our business. As the preclinical studies and clinical trials of our drug candidates continue to progress and as we gradually bring our pipeline products to commercialization, we expect to incur additional costs in relation to various aspects other than research and development, such as manufacturing, regulatory affairs, and sales and marketing efforts, among other things. We also anticipate increasing legal, compliance, accounting, insurance, and investor and public relations expenses associated with being a [**REDACTED**] company in Hong Kong.

Funding for Our Operations

During the Track Record Period, we funded our operations primarily through equity financing. Going forward, in the event of successful commercialization of one or more of our drug candidates, we expect to primarily fund our operations with cash and cash equivalents, bank loans, as well as funds generated from sales of our commercialized drug products. However, with the continuing expansion of our business and product pipeline, we may require further funding through public or private offerings, debt financing, or other funding sources. Any fluctuation in the funding for our operations will impact our cash flow and our results of operations.

MATERIAL ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING JUDGEMENTS 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 we believe to be reasonable under the circumstances. We have not 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. When reviewing our consolidated financial statements, you should consider (i) our material accounting policies, (ii) the judgments and other uncertainties affecting the application of such policies, and (iii) the sensitivity of reported results to changes in conditions and assumptions. We believe that the (i) material accounting policy information in relation to revenue recognition, research and development costs, fair value measurement, impairment of financial and non-financial assets, as detailed in Note 2.3 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.

Impairment of Non-Financial Assets

We assess whether there are any indicators of impairment for all non-financial assets (including right-of-use assets) at the end of each reporting period. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. We assessed that there was no impairment indicator identified at the end of each of the Track Record Period, given that (i) such assets of us were neither obsolete nor physically damaged, and (ii) our operations and pipelines were making progress as planned and the losses incurred for each period did not exceed the budgets.

DESCRIPTION OF SELECTED COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income for the periods indicated:

	Year Ended December 31,		Six Months Ended June 30,	
	2024	2025	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000) (unaudited)*	*(RMB'000)*
Revenue	**943**	**509**	**–**	**–**
Cost of sales	–	–	–	–
Gross profit	**943**	**509**	**–**	**–**
Other income and gains	16,194	11,451	10,149	1,488
Selling and marketing expenses	–	(728)	–	(4,215)
Research and development costs	(64,528)	(86,500)	(34,147)	(43,977)
Administrative expenses	(12,162)	(111,185)	(6,177)	(22,721)
Changes in fair value of redemption liabilities on equity shares	(27,725)	(111,513)	(2,813)	(10,675)
Reversal of impairment/(impairment) losses on financial assets, net	18	(23)	(24)	(5)
Finance costs	(1,184)	(534)	(224)	(50)
Loss before tax	**(88,444)**	**(298,523)**	**(33,236)**	**(80,155)**
Income tax expense	–	–	(33)	–
Loss and total comprehensive loss for the year/period	**(88,444)**	**(298,523)**	**(33,269)**	**(80,155)**
Attributable to:				
Owners of the parent	(88,444)	(298,523)	(33,269)	(80,155)

Revenue

During the Track Record Period, our revenue was primarily derived from technology transfer related to a preclinical program. In 2024 and 2025 and the six months ended June 30, 2025 and 2026, our revenue was RMB0.9 million, RMB0.5 million, nil and nil, respectively.

Cost of Sales

During the Track Record Period, our cost of sales was nil as our revenue was primarily recognized from the technology transfer related to a preclinical program. The costs incurred and directly associated with our obligations under the technology transfer have been recorded in research and development costs in our consolidated statements of profit or loss and other comprehensive income before the Track Record Period, and therefore there was no cost of sales recognized during the Track Record Period.

Gross Profit and Gross Profit Margin

Our gross profit amounted to RMB0.9 million and RMB0.5 million in 2024 and 2025, respectively, primarily driven by revenue generated from the technology transfer, which involved cost of sales of nil. As a result, our gross profit margin was 100.0% and 100.0% in 2024 and 2025, respectively. In the six months ended June 30, 2025 and 2026, as we did not generate any revenue and did not incur any cost of sales, our gross profit for the corresponding period was nil and nil, and our gross profit margins were not applicable.

Other Income and Gains

During the Track Record Period, our other income mainly consisted of (i) government grants income that we received from the local government authorities to support our research and development activities, which had no unfulfilled conditions or contingencies attached and were non-recurring in nature, (ii) bank interest income, and (iii) investment income from financial assets at FVTPL. Our gains represented fair value gains on financial assets at FVTPL. The government grants received by us were primarily utilized to support our daily operations, particularly our drug research and development activities. The following table sets forth a breakdown of our other income and gains for the periods indicated:

	Year Ended December 31,				Six Months Ended June 30,			
	2024		2025		2025		2026	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
					(unaudited)			
Other income:								
Government grants	14,847	91.6	9,365	81.7	9,365	92.3	64	4.3
Bank interest income	552	3.4	328	2.9	205	2.0	49	3.3
Investment income from financial assets at FVTPL	721	4.5	1,511	13.2	500	4.9	1,076	72.3
Total other income	16,120	99.5	11,204	97.8	10,070	99.2	1,189	79.9
Gains:								
Fair value gains on financial assets at FVTPL	74	0.5	247	2.2	79	0.8	299	20.1
Total	**16,194**	**100.0**	**11,451**	**100.0**	**10,149**	**100.0**	**1,488**	**100.0**

Selling and Marketing Expenses

During the Track Record Period, our selling and marketing expenses primarily consisted of (i) labor costs, (ii) consulting service expenses, and (iii) others. We recorded selling and marketing expenses of nil, RMB0.7 million, nil and RMB4.2 million in 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively.

Research and Development Costs

During the Track Record Period, our research and development costs primarily consisted of (i) labor costs, (ii) outsourcing and professional consulting fees, primarily relating to services provided by CROs and CDMOs, (iii) testing and experiment costs, (iv) depreciation and utilities, (v) cost of materials, and (vi) others, which mainly represented miscellaneous operating expenses incurred in the ordinary course of business, including travel, transportation, insurance and warehousing expenses. The following table sets forth a breakdown of our research and development costs in absolute amounts and as percentages of the total research and development costs for the periods indicated:

	Year Ended December 31,				Six Months Ended June 30,			
	2024		2025		2025		2026	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
					(unaudited)			
Labor costs	32,413	50.2	33,865	39.1	15,936	46.6	20,007	45.5
Outsourcing and professional consulting fees	15,032	23.3	19,855	23.0	7,919	23.2	12,101	27.5
– CRO service fees and early-stage research costs	11,681	18.1	10,537	12.2	3,837	11.2	9,460	21.5
– CDMO service fees	791	1.2	6,112	7.1	3,311	9.7	1,471	3.3
– Equipment maintenance and validation service fees	2,560	4.0	3,206	3.7	771	2.3	1,170	2.7
Testing and experiment costs	8,458	13.1	15,456	17.9	6,834	20.0	8,490	19.3
Share-based payment expenses	–	–	9,030	10.4	–	–	–	–
Depreciation and utilities	3,912	6.1	2,497	2.9	1,570	4.6	846	1.9
Cost of materials	1,620	2.5	2,082	2.4	462	1.4	341	0.8
Others	3,093	4.8	3,715	4.3	1,426	4.2	2,192	5.0
Total	**64,528**	**100.0**	**86,500**	**100.0**	**34,147**	**100.0**	**43,977**	**100.0**

In 2024 and 2025 and the six months ended June 30, 2025 and 2026, research and development costs incurred for our Core Products, bezacitinib and CX1440, were approximately RMB54.0 million, RMB68.6 million, RMB28.7 million and RMB33.1 million, respectively, accounting for 70.3%, 34.6%, 71.2% and 46.7% of our total operating expenses (including selling and marketing expenses, research and development costs and administrative expenses) for the corresponding periods.

Administrative Expenses

During the Track Record Period, our administrative expenses primarily consisted of (i) salary and welfare, (ii) share-based payment expenses, (iii) depreciation and amortization, (iv) professional service fees, (v) business entertainment expenses, (vi) office expenses, and (vii) others, which mainly include taxes and surcharges and other miscellaneous expenses. The following table sets forth a breakdown of our administrative expenses in absolute amounts and as percentages of the total administrative expenses for the periods indicated:

	Year Ended December 31,				Six Months Ended June 30,			
	2024		2025		2025		2026	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
					(unaudited)			
Salary and welfare	7,497	61.7	12,678	11.4	4,262	69.0	11,498	50.5
Share-based payment expenses	–	–	84,052	75.6	–	–	–	–
[**REDACTED**] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Depreciation and amortization	2,228	18.3	1,493	1.3	769	12.5	658	2.9
Professional service fees	668	5.5	953	0.9	292	4.7	330	1.5
Business entertainment expenses	423	3.5	1,538	1.4	315	5.1	1,317	5.8
Office expenses	152	1.2	197	0.2	63	1.0	90	0.4
Others	1,194	9.8	1,435	1.3	476	7.7	814	3.6
Total	**12,162**	**100.0**	**111,185**	**100.0**	**6,177**	**100.0**	**22,721**	**100.0**

Change in Fair Value of Redemption Liabilities on Equity Shares

During the Track Record Period, our change in fair value of redemption liabilities on equity shares represented losses from change in fair value of instruments with special rights we issued to our Pre-[**REDACTED**] investors. In 2024 and 2025 and the six months ended June 30, 2025 and 2026, our loss from change in fair value of redemption liabilities on equity shares amounted to RMB27.7 million, RMB111.5 million, RMB2.8 million and RMB10.7 million, respectively. These instruments with special rights we issued to our Pre-[**REDACTED**] investors will be automatically converted into ordinary shares upon the [**REDACTED**], and we do not expect to record further gains or losses in relation to valuation changes in such instruments after the [**REDACTED**]. For further details, see "History, Development and Corporate Structure" and Note 21 to the Accountants' Report set out in Appendix I to this document.

Reversal of Impairment/(Impairment) Losses on Financial Assets, Net

During the Track Record Period, our net reversal of impairment losses or impairment losses on financial assets represents the net reversal or recognition of expected credit losses on our other receivables. We recorded reversal of impairment losses on financial assets of RMB18 thousand in 2024, while we recorded impairment losses on financial assets of RMB23 thousand, RMB24 thousand and RMB5 thousand in 2025 and the six months ended June 30, 2025 and 2026, respectively.

Finance Costs

During the Track Record Period, our finance costs were in relation to our interest on bank borrowings and lease liabilities, and transaction cost on issue of redemption liabilities on equity shares. The following table sets forth a breakdown of our finance costs for the periods indicated:

	Year Ended December 31,				Six Months Ended June 30,			
	2024		2025		2025		2026	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
					(unaudited)			
Interest on bank borrowings	146	12.4	–	–	–	–	–	–
Interest on lease liabilities	94	7.9	34	6.4	24	10.7	50	100.0
Transaction cost on issue of redemption liabilities on equity shares	944	79.7	500	93.6	200	89.3	–	–
Total	**1,184**	**100.0**	**534**	**100.0**	**224**	**100.0**	**50**	**100.0**

Income Tax

We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which we are domiciled and operate. We incurred income tax expense of nil, nil, RMB33 thousand and nil in 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. During the Track Record Period and up to the Latest Practicable Date, we had made all the required tax filings with the relevant tax authorities in the PRC and we are not aware of any outstanding or potential disputes with such tax authorities.

Chinese Mainland

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the EIT rate of our Company and our PRC subsidiaries is 25% during the Track Record Period.

Loss for the Year/Period

As a result of the foregoing, we recorded loss for the year/period of RMB88.4 million, RMB298.5 million, RMB33.3 million and RMB80.2 million in 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

Revenue

We recorded revenue of nil and nil in the six months ended June 30, 2025 and 2026, respectively.

Cost of Sales

We incurred cost of sales of nil and nil in the six months ended June 30, 2025 and 2026, respectively.

Gross Profit and Gross Profit Margin

As a result of the foregoing, we recorded a gross profit of nil and nil in the six months ended June 30, 2025 and 2026, respectively, and our gross profit margins were not applicable.

Other Income and Gains

Our other income and gains decreased from RMB10.1 million in the six months ended June 30, 2025 to RMB1.5 million in the six months ended June 30, 2026, primarily due to a decrease of RMB9.3 million in government grants.

Selling and Marketing Expenses

Our selling and marketing expenses increased from nil in the six months ended June 30, 2025 to RMB4.2 million in the six months ended June 30, 2026, primarily due to our preparation for the commercialization of bezacitinib.

Research and Development Costs

Our research and development costs increased from RMB34.1 million in the six months ended June 30, 2025 to RMB44.0 million in the six months ended June 30, 2026, primarily due to the clinical advancement of CX1440 and bezacitinib, including the Phase I/II trial of CX1440 in patients with CU, the Phase III trial of CX1440 in patients with ITP, and the Phase III trial of bezacitinib in patients with PV.

Administrative Expenses

Our administrative expenses increased from RMB6.2 million in the six months ended June 30, 2025 to RMB22.7 million in the six months ended June 30, 2026, primarily due to (i) an increase of RMB[**REDACTED**] in [**REDACTED**] expenses in relation with our proposed [**REDACTED**], and (ii) an increase of RMB7.2 million in salary and welfare, resulting from the expansion of our team and the payment of employee bonuses.

Changes in Fair Value of Redemption Liabilities on Equity Shares

Our losses in fair value of redemption liabilities on equity shares increased from RMB2.8 million in the six months ended June 30, 2025 to RMB10.7 million in the six months ended June 30, 2026, primarily due to the increase in value of our Company.

Reversal of Impairment/(Impairment) Losses on Financial Assets, Net

We recorded impairment losses on financial assets of RMB24 thousand and RMB5 thousand in the six months ended June 30, 2025 and 2026, respectively, primarily due to impairment provisions made on other receivables.

Finance Costs

Our finance costs decreased from RMB224 thousand in the six months ended June 30, 2025 to RMB50 thousand in the six months ended June 30, 2026, primarily due to a decrease of RMB200 thousand in transaction cost on issue of redemption liabilities on equity shares, which mainly related to financial advisory fees incurred as part of our financing activities.

Income Tax Expense

We recorded income tax expense of RMB33 thousand and nil in the six months ended June 30, 2025 and 2026, respectively.

Loss for the Period

As a result of the foregoing, we recorded a loss of RMB33.3 million and RMB80.2 million in the six months ended June 30, 2025 and 2026, respectively.

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

Our revenue decreased from RMB0.9 million in 2024 to RMB0.5 million in 2025, primarily due to our revenue from technology transfer related to a preclinical program.

Cost of Sales

We incurred cost of sales of nil and nil in 2024 and 2025, respectively.

Gross Profit and Gross Profit Margin

As a result of the foregoing, we recorded a gross profit of RMB0.9 million and RMB0.5 million in 2024 and 2025, respectively, and a gross profit margin of 100.0% and 100% in the same year.

Other Income and Gains

Our other income and gains decreased from RMB16.2 million in 2024 to RMB11.5 million in 2025, primarily due to a decrease of RMB5.5 million in government grants.

Selling and Marketing Expenses

Our selling and marketing expenses increased from nil in 2024 to RMB0.7 million in 2025, primarily due to our preparation for the commercialization of bezacitinib.

Research and Development Costs

Our research and development costs increased from RMB64.5 million in 2024 to RMB86.5 million in 2025, primarily due to (i) an increase of RMB9.0 million in share-based payment expenses, (ii) an increase of RMB7.0 million in testing and experimental costs, and (iii) an increase of RMB4.8 million in outsourcing and professional consulting fees. The foregoing increases were mainly attributable to our continued efforts to advance clinical development of bezacitinib and CX1440, with more patients enrolled in our clinical trials.

Administrative Expenses

Our administrative expenses increased from RMB12.2 million in 2024 to RMB111.2 million in 2025, primarily due to (i) an increase of RMB84.1 million in share-based payment expenses, and (ii) an increase of RMB[**REDACTED**] in [**REDACTED**] expenses.

Changes in Fair Value of Redemption Liabilities on Equity Shares

Our losses in fair value of redemption liabilities on equity shares increased from RMB27.7 million in 2024 to RMB111.5 million in 2025, primarily due to the increase in value of our Company.

Reversal of Impairment/(Impairment) Losses on Financial Assets, Net

We recorded reversal of impairment losses on financial assets of RMB18 thousand in 2024, primarily due to the recovery of certain previously impaired receivables. We recorded impairment losses on financial assets of RMB23 thousand in 2025, primarily due to impairment provisions made on other receivables.

Finance Costs

Our finance costs decreased from RMB1.2 million in 2024 to RMB0.5 million in 2025, primarily due to a decrease of RMB0.4 million in transaction cost on issue of redemption liabilities on equity shares, which mainly related to financial advisory fees incurred as part of our financing activities.

Income Tax Expense

Our income tax expense remained stable at nil and nil in 2024 and 2025, respectively.

Loss for the Year

As a result of the foregoing, we recorded a loss of RMB88.4 million and RMB298.5 million in 2024 and 2025, respectively.

DISCUSSION OF CERTAIN SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Non-current assets			
Property, plant and equipment	15,366	53,172	68,170
Intangible assets	187	107	144
Right-of-use assets	18,416	16,680	20,830
Restricted bank deposits	7,000	7,000	7,000
Prepayments, other receivables and other assets	15,091	18,751	22,208
Total non-current assets	**56,060**	**95,710**	**118,352**
Current assets			
Financial assets at FVTPL	40,074	80,247	85,495
Prepayments, other receivables and other assets	2,186	11,878	12,566
Restricted bank deposits	1,554	2,677	2,677
Cash and cash equivalents	68,724	190,321	97,525
Total current assets	**112,538**	**285,123**	**198,263**
Current liabilities			
Trade payables	5,749	5,247	5,694
Other payables and accruals	12,800	30,458	30,586
Redemption liabilities on equity shares	556,135	954,648	965,323
Contract liabilities	4,245	3,736	3,736
Lease liabilities	1,100	–	1,166
Total current liabilities	**580,029**	**994,089**	**1,006,505**
Net current liabilities	**(467,491)**	**(708,966)**	**(808,242)**

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Non-current liabilities			
Lease liabilities	–	–	3,031
Other payables and accruals	–	1,231	1,721
Total non-current liabilities	**–**	**1,231**	**4,752**
Net liabilities	**(411,431)**	**(614,487)**	**(694,642)**
Deficiency in assets			
Equity attributable to owners of the parent			
Paid-in capital	41,356	–	–
Share capital	–	50,839	50,839
Reserves	(452,787)	(665,326)	(745,481)
Total deficits	**(411,431)**	**(614,487)**	**(694,642)**

Property, Plant and Equipment

During the Track Record Period, our property, plant and equipment primarily consisted of machinery, electronic equipment, other equipment, leasehold improvements and construction in progress. Our property, plant and equipment increased from RMB15.4 million as of December 31, 2024 to RMB53.2 million as of December 31, 2025, and further to RMB68.2 million as of June 30, 2026, primarily due to increases in our construction in progress, which was mainly in relation with our manufacturing facilities.

Right-of-use Assets

During the Track Record Period, our right-of-use assets represent our office premises and our leasehold land. Our right-of-use assets slightly decreased RMB18.4 million as of December 31, 2024 to RMB16.7 million as of December 31, 2025, primarily due to depreciation of our office premises. Our right-of-use assets increased from RMB16.7 million as of December 31, 2025 to RMB20.8 million as of June 30, 2026, primarily due to the addition of new right-of-use assets.

Prepayments, Other Receivables and Other Assets

During the Track Record Period, our prepayments, other receivables and other assets primarily included (i) prepayments, (ii) other receivables, (iii) deferred [**REDACTED**] expenses and (iv) value-added tax recoverable. The following table sets forth a breakdown of prepayments, other receivables and other assets as of the dates indicated:

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Current:			
Prepayments	2,107	7,159	7,276
Other receivables	83	508	574
Deferred [**REDACTED**] expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Value-added tax recoverable	–	2,033	–
Impairment	(4)	(27)	(32)
Subtotal	2,186	11,878	12,566

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Non-current:			
Value-added tax recoverable	15,091	18,751	22,208
Subtotal	15,091	18,751	22,208
Total	**17,277**	**30,629**	**34,774**

Our current portion of prepayments, other receivables and other assets increased from RMB2.2 million as of December 31, 2024 to RMB11.9 million as of December 31, 2025, primarily due to an increase of RMB5.1 million in prepayments for our clinical trials. Our current portion of prepayments, other receivables and other assets further increased to RMB12.6 million as of June 30, 2026, primarily due to an increase of RMB[**REDACTED**] in deferred [**REDACTED**] expenses in relation to our proposed [**REDACTED**].

Our non-current portion of prepayments, other receivables and other assets increased from RMB15.1 million as of December 31, 2024 to RMB18.8 million as of December 31, 2025, and further to RMB22.2 million as of June 30, 2026, primarily due to increases in value-added tax recoverable, resulting from deductible input value-added tax.

Financial Assets at FVTPL

During the Track Record Period, our financial assets at FVTPL primarily represented our investment in wealth management products. We had financial assets at FVTPL of RMB40.1 million, RMB80.2 million and RMB85.5 million as of December 31, 2024, December 31, 2025 and June 30, 2026, respectively.

During the Track Record Period, as part of our treasury management, we only invested in low-risk principal-protected structured deposits to better utilize excess cash when our cash sufficiently covered our ordinary course of business. Such investments were conducted on a prudent basis with controllable risks. The proposed investments were subject to internal financial review and approval by our general manager prior to execution. We have adopted internal policies to further standardize the scope of permitted investments, approval authorities, internal control procedures and risk management requirements. Under such policies, our finance department is responsible for proposing and evaluating potential investment products, and the Board is responsible for reviewing and approving the investment management policies and material investment matters. We limited our purchases to low-risk principal-protected products issued by reputable financial institutions that would not affect our daily operations or business prospects. Upon [**REDACTED**], any investments in wealth management products or securities, including financial assets at FVTPL, will be conducted in strict compliance with the applicable requirements under Chapter 14 of the Listing Rules.

Restricted Bank Deposits

Our restricted bank deposits mainly represented cash pledged as security for bank guarantees issued in connection with the construction of our manufacturing facilities. We had restricted bank deposits of RMB8.6 million, RMB9.7 million and RMB9.7 million as of December 31, 2024, December 31, 2025 and June 30, 2026, respectively.

Cash and Cash Equivalents

During the Track Record Period, our cash and cash equivalents primarily consisted of RMB-denominated cash on hand and at banks. Our cash and cash equivalents increased from RMB68.7 million as of December 31, 2024 to RMB190.3 million as of December 31, 2025, due to the receipt of proceeds from issue of shares. Our cash and cash equivalents decreased from RMB190.3 million as of December 31, 2025 to RMB97.5 million as of June 30, 2026, primarily due to cash used to fund our daily operations.

Trade Payables

During the Track Record Period, our trade payables primarily represented amounts due to our suppliers for purchases of goods and services, such as raw materials and research and development services. Our trade payables remained relatively stable at RMB5.7 million, RMB5.2 million and RMB5.7 million as of December 31, 2024 and 2025 and June 30, 2026, respectively. Our trade payables are non-interest-bearing and are normally settled on terms within 30 to 120 days. 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,
	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Within 1 year	5,749	5,247	5,694
Total	**5,749**	**5,247**	**5,694**

Other Payables and Accruals

During the Track Record Period, our other payables and accruals primarily consisted of (i) payroll payable, (ii) other payables, (iii) government grants, and (iv) tax payable. The following table sets forth a breakdown of other payables and accruals as of the dates indicated:

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Current:			
Payroll payable	9,854	12,802	11,065
Other payables	2,270	14,720	13,233
Government grants	317	–	–
Tax payable	359	603	3,141
Accrued [**REDACTED**] expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Non-current:			
Other payables	–	1,231	1,721
Total	**12,800**	**31,689**	**32,307**

Our other payables and accruals increased from RMB12.8 million as of December 31, 2024 to RMB31.7 million as of December 31, 2025, primarily due to an increase in other payables, resulting from the ongoing construction of our manufacturing facilities. Our other payables and accruals remained relatively stable at RMB32.3 million as of June 30, 2026.

LIQUIDITY AND CAPITAL RESOURCES

Our primary uses of cash during the Track Record Period were for funding the research and development of our Core Products and other pipeline programs, as well as the construction of our manufacturing facilities. During the Track Record Period and up to the Latest Practicable Date, we primarily funded our working capital requirements through equity financing and bank borrowings. Our management closely monitors the use of cash and cash equivalents and strives to maintain healthy liquidity for our operations. Going forward, we believe our liquidity requirements will be satisfied by a combination of [**REDACTED**] from the [**REDACTED**], bank loans and cash generated from our operations after the commercialization of our drug candidates. With the continuing expansion of our business, we may require further funding through public or private offerings, debt financing, collaboration arrangements or other sources.

Current Assets and Liabilities

The following table sets forth our current assets and current liabilities as of the dates indicated:

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Current assets			
Financial assets at FVTPL	40,074	80,247	85,495
Prepayments, other receivables and other assets	2,186	11,878	12,566
Restricted bank deposits	1,554	2,677	2,677
Cash and cash equivalents	68,724	190,321	97,525
Total current assets	**112,538**	**285,123**	**198,263**
Current liabilities			
Trade payables	5,749	5,247	5,694
Other payables and accruals	12,800	30,458	30,586
Redemption liabilities on equity shares	556,135	954,648	965,323
Contract liabilities	4,245	3,736	3,736
Lease liabilities	1,100	–	1,166
Total current liabilities	**580,029**	**994,089**	**1,006,505**
Net current liabilities	**(467,491)**	**(708,966)**	**(808,242)**

Our net current liabilities increased from RMB709.0 million as of December 31, 2025 to RMB808.2 million as of June 30, 2026, primarily due to a decrease of RMB92.8 million in cash and cash equivalents.

Our net current liabilities increased from RMB467.5 million as of December 31, 2024 to RMB709.0 million as of December 31, 2025, primarily attributable to an increase of RMB398.5 million in redemption liabilities on equity shares, which was partially offset by an increase of RMB121.6 million in cash and cash equivalents and an increase of RMB40.2 million in financial assets at FVTPL.

Cash Flows

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

	Year Ended December 31,		Six Months Ended June 30,	
	2024	2025	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000) (unaudited)*	*(RMB'000)*
Net cash flows used in operating activities	(62,727)	(96,365)	(34,794)	(67,546)
Net cash flows used in investing activities	(3,959)	(68,483)	(43,262)	(21,870)
Net cash flows from/(used in) financing activities	117,984	286,445	159,569	(3,380)
Net increase/(decrease) in cash and cash equivalents	**51,298**	**121,597**	**81,513**	**(92,796)**
Cash and cash equivalents at beginning of the year/period	17,426	68,724	68,724	190,321
Cash and cash equivalents at end of the year/period	**68,724**	**190,321**	**150,237**	**97,525**

Net Cash Flows Used in Operating Activities

In the six months ended June 30, 2026, our net cash flows used in operating activities were RMB67.5 million, which was primarily attributable to our loss before tax of RMB80.2 million, adjusted by certain non-cash and working capital items, including (i) positive adjustments, which primarily included fair value loss on redemption liabilities on equity shares of RMB10.7 million, and (ii) negative adjustments, which primarily included investment income from financial assets at FVTPL of RMB1.1 million.

In 2025, our net cash flows used in operating activities were RMB96.4 million, which was primarily attributable to our loss before tax of RMB298.5 million, adjusted by certain non-cash and working capital items, including (i) positive adjustments, which primarily included fair value loss on redemption liabilities on equity shares of RMB111.5 million, share-based payment expenses of RMB93.1 million, and depreciation of property, plant and equipment of RMB2.4 million, and (ii) negative adjustments, which primarily included an increase in prepayments, other receivables and other assets of RMB5.4 million, and investment income from financial assets at FVTPL of RMB1.5 million.

In 2024, our net cash flows used in operating activities were RMB62.7 million, which was primarily attributable to our loss before tax of RMB88.4 million adjusted by certain non-cash and working capital items, including (i) positive adjustments, which primarily included fair value loss on redemption liabilities on equity shares of RMB27.7 million and depreciation of property, plant and equipment of RMB4.4 million, and (ii) negative adjustments, which primarily included a decrease in trade payables of RMB5.7 million and a decrease in other payables and accruals of RMB4.0 million.

Given our net operating cash outflows throughout the Track Record Period, we plan to improve this situation through the following initiatives: (i) we plan to continue to advance the commercialization of our drug candidates in development to generate revenue from product sales. Specifically, we received marketing approval of bezacitinib for the treatment of MF in April 2026 and we intend to seek inclusion of our Core Products in the NRDL and other government-sponsored medical insurance programs at appropriate pricing levels following regulatory approval and commercial launch; (ii) we will continue to implement comprehensive measures to effectively

control operating costs and optimize the use of idle cash. For example, we enforce rigorous budget controls at both the project and business department levels; and (iii) we will closely monitor the settlement of trade payables to achieve a better cash flow position.

Net Cash Flows Used in Investing Activities

In the six months ended June 30, 2026, our net cash flows used in investing activities were RMB21.9 million, which was primarily attributable to purchases of financial assets at FVTPL of RMB702.0 million and purchases of items of property, plant and equipment of RMB17.9 million, partially offset by withdrawal of financial assets at FVTPL of RMB697.0 million.

In 2025, our net cash flows used in investing activities were RMB68.5 million, which was primarily attributable to purchases of financial assets at FVTPL of RMB885.0 million and purchases of items of property, plant and equipment of RMB28.9 million, partially offset by withdrawal of financial assets at FVTPL of RMB845.0 million.

In 2024, our net cash flows used in investing activities were RMB4.0 million, which was primarily attributable to purchases of financial assets at FVTPL of RMB202.4 million, purchases of land use rights of RMB17.1 million, placement of restricted bank deposits of RMB16.6 million and purchases of items of property, plant and equipment of RMB5.6 million, partially offset by withdrawal of financial assets measured at FVTPL of RMB229.2 million.

Net Cash Flows from/(Used in) Financing Activities

In the six months ended June 30, 2026, our net cash flows used in financing activities were RMB3.4 million, which was primarily attributable to payment of [**REDACTED**] expenses of RMB[**REDACTED**] and principal portion of lease payments of RMB0.5 million.

In 2025, our net cash flows from financing activities were RMB286.4 million, which was primarily attributable to proceeds from issue of shares of RMB289.4 million, partially offset by payment of [**REDACTED**] expenses of RMB[**REDACTED**].

In 2024, our net cash flows from financing activities were RMB118.0 million, which was primarily attributable to proceeds from issue of shares of RMB126.0 million, partially offset by repayment of bank borrowings of RMB5.4 million and principal portion of lease payments of RMB1.5 million.

CASH OPERATING COSTS

The following table sets forth key information relating to our cash operating costs for the periods indicated:

	Year Ended December 31,		Six Months Ended June 30,	
	2024	2025	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Costs relating to research and development of our Core Products				
Preclinical, clinical trial and testing expenses	23,953	29,099	11,270	12,824
Staff costs	27,918	24,978	13,269	16,349
Raw materials	6,582	4,842	2,884	3,782
Others	3,935	6,929	2,202	2,031
Subtotal	**62,388**	**65,848**	**29,625**	**34,986**

	Year Ended December 31,		Six Months Ended June 30,	
	2024	2025	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Costs relating to research and development of other products				
Preclinical, clinical trial and testing expenses	4,408	6,005	2,460	3,969
Staff costs	5,433	7,225	3,417	5,409
Raw materials	82	295	111	332
Others	85	345	111	139
Subtotal	**10,008**	**13,870**	**6,099**	**9,849**
Other costs				
Workforce employment cost for non-research and development staff	6,469	11,063	5,738	8,651
Non-income taxes, royalties and other governmental charges	2,821	3,856	1,334	2,821
Others	5,455	11,763	1,485	13,758
Subtotal	**14,745**	**26,682**	**8,557**	**25,230**
Total	**87,141**	**106,400**	**44,281**	**70,065**

WORKING CAPITAL CONFIRMATION

Although we recorded net current liabilities during the Track Record Period, we believe that our net current liabilities position is expected to improve through the following measures:

- ***Cash inflow from our operations***. We will continue to advance the commercialization of our products to generate product sales revenue. In particular, we submitted the first NDA of bezacitinib for MF to the NMPA in August 2024, with the marketing approval received in April 2026. We will also actively pursue collaboration opportunities to diversify our revenue sources.

- ***Reduction of current liabilities upon*** [**REDACTED**]. A significant portion of our current liabilities during the Track Record Period was attributable to redemption liabilities on equity shares, which arose from instruments with special rights issued to Pre-[**REDACTED**] Investors in connection with our financing activities. These instruments with special rights we issued to our Pre-[**REDACTED**] Investors will be transferred to equity upon the [**REDACTED**], after which the amount of our redemption liabilities on equity shares will be derecognized from our liabilities and transferred to equity, which can result in a significant improvement to our net current liabilities position.

As of July 31, 2026, we had total committed bank credit facilities of nil.

Our Directors are of the opinion that, taking into account the financial resources available to our Group, including cash and bank balances and the estimated [**REDACTED**] from the [**REDACTED**], we have sufficient working capital to cover at least 125% of our costs, including research and development costs and administrative expenses, for at least the next 12 months from the expected date of this document.

Our cash burn rate refers to the average monthly amount of net cash used in operating activities, capital expenditures and lease payments. We had cash and cash equivalents of RMB97.5 million and financial assets at FVTPL of RMB85.5 million as of June 30, 2026. We estimate that we will receive [**REDACTED**] of approximately HK$[**REDACTED**], equivalent to RMB[**REDACTED**], after deducting the [**REDACTED**] fees and expenses payable by us in the [**REDACTED**], assuming no [**REDACTED**] are exercised and assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], being the low-end of the [**REDACTED**] range in this document. Assuming an average cash burn rate going forward of 1.5 times the level in 2025, we estimate that (i) our cash and cash equivalents and financial assets at FVTPL as of June 30, 2026 will be able to maintain our financial viability for [**REDACTED**] months or, (ii) if we take into account [**REDACTED**]% of the estimated [**REDACTED**] from the [**REDACTED**] (namely, the portion allocated for our working capital and other general corporate purposes), [**REDACTED**] months or, (iii) if we also take into account the estimated [**REDACTED**] from the [**REDACTED**], [**REDACTED**] months. We will continue to monitor our cash flows from operations closely and expect to raise our next round of financing, if needed, with a minimum buffer of 12 months.

INDEBTEDNESS

During the Track Record Period, we had indebtedness in the form of lease liabilities and redemption liabilities on equity shares. The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Current			
Lease liabilities	1,100	–	1,166
Redemption liabilities on equity shares	556,135	954,648	965,323
Non-current			
Lease liabilities	–	–	3,031
Total	**557,235**	**954,648**	**969,520**

Lease Liabilities

Our lease liabilities primarily comprise leases of office buildings. As of December 31, 2024, 2025 and June 30, 2026, we had lease liabilities (current and non-current) of RMB1.1 million, nil and RMB4.2 million, respectively.

Redemption Liabilities on Equity Shares

Our redemption liabilities on equity shares primarily represent the instruments with special rights we issued to our Pre-[**REDACTED**] investors. As of December 31, 2024, 2025 and June 30, 2026, we had redemption liabilities on equity shares of RMB556.1 million, RMB954.6 million and RMB965.3 million, respectively. For details, see Note 21 to the Accountants' Report set out in Appendix I to this document.

Indebtedness Statement

Except as discussed above, we did not have any other material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities as of the Latest Practicable Date. Our Directors confirm that our Group did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or material breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Our Directors confirm that there have been no material changes in our indebtedness since June 30, 2026 up to the date of this document.

CAPITAL EXPENDITURES

In 2024, 2025 and the six months ended June 30, 2026, we incurred capital expenditures of RMB22.9 million, RMB28.9 million and RMB18.0 million, respectively, in connection with the purchase of items of property, plant and equipment and purchases of intangible assets and land use rights in order to enhance our development capabilities and expand our business operations.

To better accommodate the growing demand for our drug candidates upon commercialization, we plan to acquire land, establish manufacturing facilities and purchase production equipment. We plan to fund such planned capital expenditures mainly through a combination of the [**REDACTED**] from the [**REDACTED**], revenue expected to be generated from sales of our products in the future and others. See the section "Future Plans and Use of [**REDACTED**]" in the document for more details. We may adjust our capital expenditures for any given period according to our development plans or in light of market conditions and other factors as appropriate.

CAPITAL COMMITMENTS

As of December 31, 2024 and 2025 and June 30, 2026, our capital expenditure contracted for but not yet incurred is related to property, plant and equipment, primarily represented contractual commitments in connection with the ongoing construction of our manufacturing facilities, amounting to RMB176.0 million, RMB132.9 million and RMB115.8 million, respectively.

In addition to our capital expenditures incurred in the ordinary course of business, we have made certain investment commitments in connection with prior share subscription arrangements, pursuant to which we are required to invest specified amounts in the Shaoxing Binhai New Area within prescribed timeframes. For details, see Note 28 to the Accountants' Report set out in Appendix I to this document.

CONTINGENT LIABILITIES

As of December 31, 2024 and 2025 and June 30, 2026, we did not have any contingent liabilities. As of the Latest Practicable Date, there had been no material changes or arrangements to our contingent liabilities.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

RELATED PARTY TRANSACTIONS

During the Track Record Period, we entered into certain related party transactions. For details, see Note 29 to the Accountants' Report set out in Appendix I to this document. Our Directors confirm that each of the significant related party transactions during the Track Record Period was conducted on an arm's length basis, and would not distort our results of operations over the Track Record Period or make our historical results not reflective of our future performance.

KEY FINANCIAL RATIO

The following table sets forth our key financial ratio as of the dates indicated:

	As of December 31,		As of June 30,
	2024	2025	2026
Current ratio[(1)]	0.2	0.3	0.2

Note:

(1) Current ratio is calculated as total current assets divided by total current liabilities as of the dates indicated.

Our current ratio increased from 0.2 as of December 31, 2024 to 0.3 as of December 31, 2025, and then decreased to 0.2 as of June 30, 2026, primarily due to changes in our cash and cash equivalents.

MARKET RISK DISCLOSURE

The risks associated with our financial instruments primarily include credit risk and liquidity risk. Our management manages these exposures to ensure appropriate measures are implemented on a timely and effective manner. See Note 32 to the Accountants' Report set out in Appendix I to this document for more details.

Credit Risk

We trade only with recognized and creditworthy third parties. It is our policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and our exposure to bad debts is not significant. Our exposure to credit risk arising from cash and cash equivalents and restricted bank deposits is limited and remote because the counterparties are state-owned banks or reputable commercial banks for which we consider to have immaterial credit risk. Our management has assessed that during the Track Record Period, other receivables did not have a significant increase in credit risk since initial recognition. Thus, a 12-month expected credit loss approach that results from possible default events within 12 months of each reporting date is adopted by our management.

Liquidity Risk

We monitor and maintain a level of cash and cash equivalents deemed adequate by the management of our Group to finance the operations and mitigate the effects of fluctuations in cash flows. See Note 32 to the Accountants' Report set out in Appendix I to this document for more details.

DIVIDEND

We did not declare or pay any dividend during the Track Record Period. We do not currently have a formal dividend policy or a pre-determined dividend payout ratio. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. [**REDACTED**] should not purchase our ordinary shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant. Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make, as determined in accordance with its articles of association and the accounting standards and regulations in China.

As advised by our PRC Legal Advisor, taking into account the aforesaid, we may not have sufficient or any distributable profits to make dividend distributions to our Shareholders in a given year, in view of our accumulated losses, or even if we become profitable, as we will only be able to declare or pay dividends out of our distributable profits until (i) the accumulated losses are covered by our after-tax profits, and (ii) sufficient statutory and other reserves are drawn in accordance with the relevant laws, regulations and our constitutional documents. In light of our accumulated losses as disclosed in this document, it is unlikely that we will be eligible to pay dividends out of our profits in the foreseeable future.

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	79,624
Net Valuation surplus as of June 30, 2026	6,276
Valuation as of June 30, 2026 as set out in Appendix III to this document	85,900

DISTRIBUTABLE RESERVES

As of June 30, 2026, we did not have any distributable reserves.

[**REDACTED**] EXPENSE

[**REDACTED**] expenses to be borne by us are estimated to be approximately HK$[**REDACTED**] (including [**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, being the mid-point of the [**REDACTED**] of HK$[**REDACTED**] to HK$[**REDACTED**] per Share), which represent [**REDACTED**]% of the [**REDACTED**] from the [**REDACTED**], assuming no Shares are issued pursuant to the [**REDACTED**]. The above [**REDACTED**] expenses are comprised of (i) [**REDACTED**]-related expenses of

HK$[**REDACTED**], and (ii) non-[**REDACTED**]-related expenses of HK$[**REDACTED**], including (a) the legal advisors and the reporting accountants' expenses of HK$[**REDACTED**], and (b) other fees and expenses of HK$[**REDACTED**]. During the Track Record Period, we incurred [**REDACTED**] expenses of HK$[**REDACTED**], HK$[**REDACTED**] of which was charged to our consolidated statements of profit or loss and other comprehensive income, and HK$[**REDACTED**] of which was attributable to the issue of Shares and will be deducted from equity. We expect to incur additional [**REDACTED**] expenses of approximately HK$[**REDACTED**] after the Track Record Period, approximately HK$[**REDACTED**] of which is expected to be charged to our consolidated statements of profit or loss and other comprehensive income, and approximately HK$[**REDACTED**] of which is attributable to the issue of Shares and will be deducted from equity upon [**REDACTED**]. The [**REDACTED**] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

[**REDACTED**]

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, there has been no material adverse change in our financial or trading position prospects since June 30, 2026 and up to the date of this document and there is no event since June 30, 2026 which would materially affect the information shown in our consolidated financial statements included in the Accountants' Report set out in Appendix I to this document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, except as otherwise disclosed in this document, 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.

FUTURE PLANS

See "Business — Our Strategies" for a detailed description of our future business plans.

USE OF [REDACTED]

We estimate that we will receive [**REDACTED**] from the [**REDACTED**] of approximately HK$[**REDACTED**], after deducting [**REDACTED**], fees and other estimated expenses paid and payable by us in connection with the [**REDACTED**], and assuming that the [**REDACTED**] is not exercised and an [**REDACTED**] of HK$[**REDACTED**] per H Share, being the mid-point of the [**REDACTED**] of HK$[**REDACTED**] to HK$[**REDACTED**] per H Share.

We currently intend to use the [**REDACTED**] from the [**REDACTED**] for the following purposes, subject to changes in light of our evolving business needs and changing market conditions:

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for the ongoing and planned clinical trials and regulatory filing preparation for our Core Products, bezacitinib and CX1440;
    - Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for clinical trials and regulatory filing preparation of bezacitinib for the treatment of PV, ET and other autoimmune indications in China:
        - Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for the post-submission clinical and regulatory activities in connection with the review and approval of the NDA for bezacitinib for the treatment of PV in China. We completed the Phase III clinical trial in May 2026 and expect to submit NDA in the third quarter of 2026. Following the NDA submission, we expect to use the [**REDACTED**] for clinical study close-out and data archiving, additional data analyses and preparation of supplementary documentation, supplementary testing, preparations for and support of regulatory inspections, responses to regulatory requests and other activities required during the NDA review process prior to obtaining approval;
        - Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for Phase III clinical trial of bezacitinib for the treatment of ET in China, for which we plan to recruit 300 patients. The Phase Ib/II clinical trial of bezacitinib for the treatment of ET is ongoing. We expect to commence the Phase III clinical trial in the fourth quarter of 2026;
        - Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for clinical trials of bezacitinib for the treatment of other autoimmune indications in China. We have received IND approvals from the NMPA for clinical trials of bezacitinib in multiple autoimmune indications, including RA, SLE, UC and AD. Based on our overall development strategy and further evaluation of these indications, we plan to select one or more of them for further clinical development. We currently expect the relevant clinical trials to enroll approximately 180 patients in aggregate, subject to adjustments based on the results of such trials and further communications with the CDE;
        - Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for Phase II and Phase III clinical trials of bezacitinib for the treatment of GVHD in China. We expect to commence the Phase II portion of our ongoing Phase Ib/II clinical trial in the second quarter of 2027 to evaluate bezacitinib for the treatment of aGVHD and cGVHD, with approximately 30 patients expected

to be enrolled for each indication. Based on the Phase II results and subject to further communications with the CDE, we intend to prioritize one of these indications for further development and initiate a registrational Phase III clinical trial expected to enroll approximately 80 patients.

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for clinical trials and regulatory filing preparation of CX1440 for the treatment of ITP, CU, AIHA and other autoimmune indications in China:

  - Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for Phase III clinical trial of CX1440 for the treatment of ITP in China, for which we plan to recruit 195 patients. We initiated this trial in September 2025 and expect to submit NDA in the fourth quarter of 2027;

  - Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for Phase II and Phase III clinical trials of CX1440 for the treatment of CU in China. We initiated the Phase I/II clinical trial of CX1440 for the treatment of CU in September 2025. The Phase II portion is expected to enroll approximately 250 patients and be completed in the fourth quarter of 2026. Based on the results of the Phase II portion and subject to further communications with the CDE, we plan to initiate a registrational Phase III clinical trial expected to enroll approximately 400 patients;

  - Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for Phase II and Phase III clinical trials of CX1440 for the treatment of AIHA in China. We expect to initiate a Phase Ib/II clinical trial of CX1440 for the treatment of AIHA in the third quarter of 2026. The Phase II portion is expected to enroll approximately 30 patients. Based on the results of the Phase II portion and subject to further communications with the CDE, we plan to initiate a registrational Phase III clinical trial expected to enroll approximately 120 patients;

  - Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for Phase II and Phase III clinical trials of CX1440 for the treatment of cGVHD in China. We expect to initiate a Phase Ib/II clinical trial in the second quarter of 2027. The Phase II portion is expected to enroll approximately 20 patients. Based on the results of the Phase II portion and subject to further communications with the CDE, we plan to initiate a registrational Phase III clinical trial expected to enroll approximately 80 patients.

For details of the clinical development plans of bezacitinib and CX1440, see "Business — Our Pipeline — Bezacitinib, our Core Product — Clinical Development Plan" and "Business — CX1440, our Core Product — Clinical Development Plan."

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to support the preclinical studies and future clinical development of our preclinical-stage drug candidates, including but not limited to CX15 and CX16:

  - Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for IND and clinical trials of CX15 for the treatment of solid tumors in China. CX15 is currently in preclinical development, and we expect to submit an IND application in the third quarter of 2027. Subject to IND approval, we plan to initiate a Phase I clinical trial expected to enroll approximately 20 patients. Based on the Phase I results, we plan to conduct a Phase II clinical trial expected to enroll approximately

60 patients. Based on the Phase II results and subject to further communications with the CDE, we plan to initiate a registrational Phase III clinical trial expected to enroll approximately 120 patients;

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for IND and clinical trials of CX16 for the treatment of IBD in China. CX16 is currently undergoing IND-enabling studies, and we expect to submit an IND application for this indication in the first quarter of 2027. Subject to IND approval, we plan to initiate a Phase I clinical trial expected to enroll approximately 20 subjects. Based on the Phase I results, we plan to conduct a Phase II clinical trial expected to enroll approximately 40 patients. Based on the Phase II results and subject to further communications with the CDE, we plan to initiate a registrational Phase III clinical trial expected to enroll approximately 140 patients;

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for IND and clinical trials of CX16 for the treatment of RA in China. We expect to submit an IND application for CX16 for the treatment of RA in the first quarter of 2027. Subject to IND approval, we plan to initiate a Phase I clinical trial expected to enroll approximately 20 patients. Based on the Phase I results, we plan to conduct a Phase II clinical trial expected to enroll approximately 40 patients. Based on the Phase II results and subject to further communications with the CDE, we plan to initiate a registrational Phase III clinical trial expected to enroll approximately 140 patients.

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to fund our commercialization activities in China. We plan to expand our commercialization team in phases to approximately 100 to 150 members, comprising (i) sales management personnel with relevant experience in the commercialization and sales management of hematology, oncology and autoimmune disease products, (ii) marketing personnel with relevant new product launch experience, (iii) medical affairs, market access and other commercialization support personnel, and (iv) sales representatives generally with at least three years of relevant pharmaceutical sales experience. These [**REDACTED**] will be used for recruitment, remuneration, employee benefits and training for our commercialization team, as well as market access, medical affairs, academic promotion, marketing and other promotional activities. The commercialization team and capabilities established using these [**REDACTED**] will initially support the commercialization of bezacitinib for the treatment of MF in China and may subsequently be leveraged to support other indications of bezacitinib, CX1440 and other pipeline products following receipt of the relevant regulatory approvals, taking into account their respective approval timelines, commercialization readiness and market needs;

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for the development of manufacturing facilities to support production after the commercialization of pipeline products under development, including the ongoing construction of our manufacturing facility in Shaoxing and related auxiliary buildings, as well as the purchase of production equipment, such as formulation manufacturing equipment and pilot-scale R&D equipment. Upon completion and commencement of operations, our Shaoxing facility is expected to achieve a designed annual production capacity of 1,000 kg of APIs, 2.5 billion tablets and 0.5 billion capsules, representing a total solid dosage form capacity of approximately 3.0 billion tablets/capsules per year; and

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for working capital and general corporate purposes.

The above allocation of the [**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 exercised in full, the [**REDACTED**] that we will receive will be approximately HK$[**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per H Share (being the mid-point of the [**REDACTED**]). In the event that the [**REDACTED**] is exercised in full, we intent to apply the additional [**REDACTED**] to the above purposes in the proportions stated above.

To the extent that the [**REDACTED**] from the [**REDACTED**] are not immediately applied to the above purposes and to the extent permitted by relevant law and regulations, so long as it is deemed to be in the best interests of our Group, we may hold such funds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the SFO 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**]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[**REDACTED**]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[**REDACTED**]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

The following is the text of a report received from the independent reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this Document.

[To insert the firm's letterhead]

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF HANGZHOU BANGSHUN PHARMACEUTICAL CO., LTD. AND CHINA SECURITIES (INTERNATIONAL) CORPORATE FINANCE COMPANY LIMITED

Introduction

We report on the historical financial information of Hangzhou Bangshun Pharmaceutical Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages [I-3] to [I-47], which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2024 and 2025 and the six months ended 30 June 2026 (the "Relevant Periods"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2024 and 2025 and 30 June 2026 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-47] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [**REDACTED**] (the "Document") in connection with the [**REDACTED**] of the 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 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, 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 financial position of the Group and the Company as at 31 December 2024 and 2025 and 30 June 2026 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months ended 30 June 2025 and other explanatory information (the "Interim Comparative Financial Information"). The directors of the Company are responsible for the preparation of the Interim Comparative 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 Interim Comparative 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 Interim Comparative 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 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 12 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

[●]
Certified Public Accountants
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 financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing ("HKSAs") 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) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December		Six months ended 30 June	
		2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
REVENUE	*5*	943	509	–	–
Cost of sales		–	–	–	–
Gross profit		943	509	–	–
Other income and gains	*6*	16,194	11,451	10,149	1,488
Selling and marketing expenses		–	(728)	–	(4,215)
Research and development costs		(64,528)	(86,500)	(34,147)	(43,977)
Administrative expenses		(12,162)	(111,185)	(6,177)	(22,721)
Change in fair value of redemption liabilities on equity shares		(27,725)	(111,513)	(2,813)	(10,675)
Reversal of impairment/(impairment) losses on financial assets, net	*7*	18	(23)	(24)	(5)
Finance costs	*8*	(1,184)	(534)	(224)	(50)
LOSS BEFORE TAX	*7*	(88,444)	(298,523)	(33,236)	(80,155)
Income tax expense	*11*	–	–	(33)	–
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR/PERIOD		(88,444)	(298,523)	(33,269)	(80,155)
Attributable to:					
Owners of the parent		(88,444)	(298,523)	(33,269)	(80,155)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT					
Basic and diluted (RMB)	*13*	(2.22)	(6.55)	(0.78)	(1.58)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December		As at 30 June
		2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*14*	15,366	53,172	68,170
Intangible assets		187	107	144
Right-of-use assets	*15(a)*	18,416	16,680	20,830
Restricted bank deposits	*18*	7,000	7,000	7,000
Prepayments, other receivables and other assets	*16*	15,091	18,751	22,208
Total non-current assets		56,060	95,710	118,352
CURRENT ASSETS				
Financial assets at fair value through profit or loss ("FVTPL")	*17*	40,074	80,247	85,495
Prepayments, other receivables and other assets	*16*	2,186	11,878	12,566
Restricted bank deposits	*18*	1,554	2,677	2,677
Cash and cash equivalents	*18*	68,724	190,321	97,525
Total current assets		112,538	285,123	198,263
CURRENT LIABILITIES				
Trade payables	*19*	5,749	5,247	5,694
Other payables and accruals	*20*	12,800	30,458	30,586
Redemption liabilities on equity shares	*21*	556,135	954,648	965,323
Contract liabilities	*22*	4,245	3,736	3,736
Lease liabilities	*15(b)*	1,100	–	1,166
Total current liabilities		580,029	994,089	1,006,505
NET CURRENT LIABILITIES		(467,491)	(708,966)	(808,242)
TOTAL ASSETS LESS CURRENT LIABILITIES		(411,431)	(613,256)	(689,890)
NON-CURRENT LIABILITIES				
Lease liabilities	*15(b)*	–	–	3,031
Other payables and accruals	*20*	–	1,231	1,721
Total non-current liabilities		–	1,231	4,752
Net liabilities		(411,431)	(614,487)	(694,642)
DEFICIENCY IN ASSETS				
Equity attributable to owners of the parent				
Paid-in capital	*24*	41,356	–	–
Share capital	*24*	–	50,839	50,839
Reserves	*25*	(452,787)	(665,326)	(745,481)
Total deficits		(411,431)	(614,487)	(694,642)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2024

	Paid-in capital	Capital reserve*	Other reserves*	Accumulated losses*	Total deficits
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	38,052	389,963	(386,000)	(365,002)	(322,987)
Loss for the year	–	–	–	(88,444)	(88,444)
Total comprehensive loss for the year	–	–	–	(88,444)	(88,444)
Issue of new shares *(note 24)*	3,304	122,696	–	–	126,000
Recognition of redemption liabilities on equity shares *(note 21)*	–	–	(126,000)	–	(126,000)
At 31 December 2024	41,356	512,659	(512,000)	(453,446)	(411,431)

Year ended 31 December 2025

	Paid-in capital	Share capital	Capital reserve*	Other reserves*	Share-based payment reserve*	Accumulated losses*	Total deficits
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	41,356	–	512,659	(512,000)	–	(453,446)	(411,431)
Loss for the year	–	–	–	–	–	(298,523)	(298,523)
Total comprehensive loss for the year	–	–	–	–	–	(298,523)	(298,523)
Issue of new shares *(note 24)*	5,245	1,853	279,902	–	–	–	287,000
Capital contributions from an employee incentive platform *(note 24)*	2,385	–	–	–	–	–	2,385
Conversion into a joint stock company *(note 24)*	(48,986)	48,986	(480,019)	–	–	480,019	–
Recognition of redemption liabilities on equity shares *(note 21)*	–	–	–	(287,000)	–	–	(287,000)
Share-based payments *(note 26)*	–	–	–	–	93,082	–	93,082
Vesting of awarded shares	–	–	93,082	–	(93,082)	–	–
At 31 December 2025	–	50,839	405,624	(799,000)	–	(271,950)	(614,487)

Six months ended 30 June 2025 (unaudited)

	Paid-in capital	Capital reserve	Other reserves	Accumulated losses	Total deficits
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	41,356	512,659	(512,000)	(453,446)	(411,431)
Loss for the period	–	–	–	(33,269)	(33,269)
Total comprehensive loss for the period	–	–	–	(33,269)	(33,269)
Issue of new shares	4,196	155,804	–	–	160,000
Recognition of redemption liabilities on equity shares	–	–	(160,000)	–	(160,000)
At 30 June 2025 (unaudited)	45,552	668,463	(672,000)	(486,715)	(444,700)

Six months ended 30 June 2026

	Share capital	Capital reserve*	Other reserves*	Accumulated losses*	Total deficits
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2026	50,839	405,624	(799,000)	(271,950)	(614,487)
Loss for the period	–	–	–	(80,155)	(80,155)
Total comprehensive loss for the period	–	–	–	(80,155)	(80,155)
At 30 June 2026	50,839	405,624	(799,000)	(352,105)	(694,642)

* These reserve accounts comprise the negative amounts of consolidated reserves of RMB452,787,000 and RMB665,326,000 and RMB745,481,000 in the consolidated statements of financial position as at 31 December 2024 and 2025 and 30 June 2026, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December		Six months ended 30 June	
		2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before tax		(88,444)	(298,523)	(33,236)	(80,155)
Adjustments for:					
(Reversal of impairment)/ impairment losses on financial assets, net	7	(18)	23	24	5
Finance costs	8	1,184	534	224	50
Fair value loss on redemption liabilities on equity shares	21	27,725	111,513	2,813	10,675
Fair value gains on financial assets at FVTPL	6	(74)	(247)	(79)	(299)
Interest income	6	(552)	(328)	(205)	(49)
Investment income from financial assets at FVTPL	6	(721)	(1,511)	(500)	(1,076)
Depreciation of property, plant and equipment	7	4,409	2,387	1,535	777
Amortisation of intangible assets	7	157	80	40	42
Depreciation of right-of-use assets	7	1,302	1,258	650	530
Share-based payment expenses	26	–	93,082	–	–
		(55,032)	(91,732)	(28,734)	(69,500)
(Increase)/decrease in prepayments, other receivables and other assets		(704)	(5,443)	(747)	1,815
(Decrease)/increase in trade payables		(5,732)	(502)	(1,975)	447
Increase/(decrease) in contract liabilities		4,245	(509)	–	–
(Decrease)/increase in amounts due to related parties		(2,055)	–	620	–
(Decrease)/increase in other payables and accruals		(4,001)	1,526	(4,155)	(390)
Cash used in operations		(63,279)	(96,660)	(34,991)	(67,628)
Interest received		552	328	205	49
Income tax (paid)/received		–	(33)	(8)	33
Net cash flows used in operating activities		(62,727)	(96,365)	(34,794)	(67,546)
CASH FLOWS FROM INVESTING ACTIVITIES					
Placement of restricted bank deposits	18	(16,554)	(2,677)	(2,677)	–
Withdrawal of restricted bank deposits	18	8,000	1,554	–	–
Withdrawal of financial assets at FVTPL		229,168	845,000	295,000	697,000
Investment income received from financial assets at FVTPL		755	1,585	574	1,127
Purchases of financial assets at FVTPL		(202,409)	(885,000)	(325,000)	(702,000)
Purchases of intangible assets		(204)	–	–	(89)
Purchases of items of property, plant and equipment		(5,648)	(28,945)	(11,159)	(17,908)
Purchases of land use rights		(17,067)	–	–	–
Net cash flows used in investing activities		(3,959)	(68,483)	(43,262)	(21,870)

	Notes	Year ended 31 December		Six months ended 30 June	
		2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		126,000	289,385	160,000	–
Issue costs paid on redemption liabilities on equity shares		(1,000)	(200)	–	(300)
Payment of [**REDACTED**] expenses		[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Repayment of bank borrowings		(5,350)	–	–	–
Interest paid on bank borrowings		(146)	–	–	–
Prepaid lease payments		–	–	–	(235)
Principal portion of lease payments		(1,520)	(998)	(431)	(469)
Net cash flows from/(used in) financing activities		117,984	286,445	159,569	(3,380)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		51,298	121,597	81,513	(92,796)
Cash and cash equivalents at beginning of year/period		17,426	68,724	68,724	190,321
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		68,724	190,321	150,237	97,525
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS					
Cash and bank balances	*18*	77,278	199,998	161,468	107,202
Restricted bank deposits	*18*	(8,554)	(9,677)	(11,231)	(9,677)
Cash and cash equivalents as stated in the consolidated statements of cash flows and the consolidated statements of financial position		68,724	190,321	150,237	97,525

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 31 December		As at 30 June
		2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*14*	7,864	5,702	4,925
Intangible assets		187	107	144
Right-of-use assets	*15(a)*	1,520	126	4,447
Investments in subsidiaries	*1*	108,000	108,000	108,000
Prepayments, other receivables and other assets	*16*	14,923	16,238	18,177
Total non-current assets		132,494	130,173	135,693
CURRENT ASSETS				
Financial assets at FVTPL	*17*	–	50,245	60,481
Prepayments, other receivables and other assets	*16*	2,121	11,783	12,505
Cash and cash equivalents	*18*	32,012	173,394	93,843
Total current assets		34,133	235,422	166,829
CURRENT LIABILITIES				
Trade payables	*19*	5,749	5,247	5,694
Other payables and accruals	*20*	10,790	16,314	17,832
Contract liabilities	*22*	4,245	3,736	3,736
Redemption liabilities on equity shares	*21*	556,135	954,648	965,323
Lease liabilities	*15(b)*	1,100	–	1,166
Total current liabilities		578,019	979,945	993,751
NET CURRENT LIABILITIES		(543,886)	(744,523)	(826,922)
TOTAL ASSETS LESS CURRENT LIABILITIES		(411,392)	(614,350)	(691,229)
NON-CURRENT LIABILITIES				
Lease liabilities	*15(b)*	–	–	3,031
Total non-current liabilities		–	–	3,031
Net liabilities		(411,392)	(614,350)	(694,260)
DEFICIENCY IN ASSETS				
Paid-in capital	*24*	41,356	–	–
Share capital	*24*	–	50,839	50,839
Reserves	*25*	(452,748)	(665,189)	(745,099)
Total deficits		(411,392)	(614,350)	(694,260)

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company was established as a limited liability company in the People's Republic of China (the "PRC") on 22 May 2020 and was converted into a joint stock limited company on 26 November 2025. The registered office address of the Company is Room 101, Building 2, No. 2069 Jinchang Road, Liangzhu Sub-district, Yuhang District, Hangzhou, Zhejiang, the PRC.

The Group are principally engaged in the research and development of biopharmaceutical products.

During the Relevant Periods, the Company had direct interests in its subsidiaries, all of which are private limited liability companies, the particulars of which are as follows:

Name	Place and date of registration and place of operations	Nominal value of issued ordinary/registered share capital	Percentage of equity attributable to the Company	Principal activities
			Direct	
Bangshun Pharmaceutical (Shaoxing) Co., Ltd. (邦順藥業(紹興)有限公司)* *(note a)*	The PRC/Chinese mainland, 6 June 2024	RMB108,000,000	100%	Pharmaceutical research and development and production
Shanghai Hucheng Pharmaceutical Technology Co., Ltd. (上海湖呈醫藥科技有限公司)* *(note b)*	The PRC/Chinese mainland, 19 April 2023	RMB100,000	100%	N/A

* These entities are limited liability companies established under the PRC law. Their English names represent the best efforts made by the directors of the Company (the "Directors") in translating the Chinese names, as they have not been registered with official English names.

Notes:

(a) The statutory financial statements of this entity for the year ended 31 December 2024 were audited by Zhejiang Henghui Certified Public Accountants (浙江恆惠會計師事務所), certified public accountants registered in the PRC. The statutory financial statements of this entity for the year ended 31 December 2025 were audited by Taihang Kangfeng (Hangzhou) Certified Public Accountants (泰杭康峰(杭州)會計師事務所), certified public accountants registered in the PRC.

(b) Shanghai Hucheng Pharmaceutical Technology Co., Ltd. was deregistered on 14 November 2025. No audited financial statements have been prepared for this entity for the Relevant Periods.

The Company

The carrying amounts of the Company's investments in subsidiaries are as follows:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Unlisted shares, at cost	108,000	108,000	108,000

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) as issued by the HKICPA. All HKFRS Accounting Standards effective for the accounting period commencing from 1 January 2026, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods and in the period covered by the Interim Comparative Financial Information.

The Historical Financial Information has been prepared under the historical cost convention, except for wealth management products and redemption liabilities on equity shares which have been measured at fair value.

The Group incurred continuous losses during the Relevant Periods due to its new drug research and development businesses. The Group recorded net current liabilities of RMB808,242,000 and net liabilities of RMB694,642,000 as at 30 June 2026, primarily due to the significant amount of the redemption liabilities on equity shares of RMB965,323,000. In the opinion of the Directors, the Group will have necessary liquid funds to finance its working capital and capital expenditure requirements for the next twelve months after 30 June 2026. This is due to the following considerations:

(a) The primary cause of the net liabilities as at 30 June 2026 is the significant amount of redemption liabilities on equity shares, details of which are included in note 21 to the Historical Financial Information. The redemption rights in the Company's shares have been terminated one day prior to the Company's first submission of [**REDACTED**] to the Stock Exchange and shall be reinstated in the event where (i) the [**REDACTED**] is not accepted (including being rejected or returned); (ii) the Company withdraws its [**REDACTED**]; (iii) the Company fails to complete the [**REDACTED**] before [**REDACTED**]; or (iv) the [**REDACTED**] committee of the Stock Exchange does not approve the [**REDACTED**]. Further, redemption liabilities on equity shares of the Company will be derecognised from liabilities as a result of the termination of all special rights upon the [**REDACTED**] of the shares of the Company on the Stock Exchange ("[**REDACTED**]"). Based on the latest application status, the Directors are of the opinion that the Company is expected to complete the [**REDACTED**] successfully before [**REDACTED**] and therefore the redemption liabilities on equity shares will unlikely be redeemed within the twelve months from 30 June 2026;

(b) The Group had cash and cash equivalents of RMB97,525,000 and wealth management products of RMB85,495,000 with a general maturity term ranging from 2 days to 20 days as at 30 June 2026; and

(c) The Group has performed a cash flow forecast for the next twelve months after 30 June 2026. Based on the rigorous review of the forecast, the Directors are satisfied that the Group will have sufficient working capital to meet its present obligations, taking into account the financial resources available to the Group for the next twelve months from 30 June 2026, including cash and cash equivalents.

Therefore, the Directors assessed that the Group can operate as a going concern in the foreseeable future.

Basis of consolidation

The Historical Financial Information includes the financial information of the Company and its subsidiaries for the Relevant Periods and the six months ended 30 Jun 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities and any non-controlling interest; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	*Presentation and Disclosure in Financial Statements*[1]
HKFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[1]
HKFRS 20	*Regulatory Assets and Regulatory Liabilities*[3]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[2]
Amendments to HKAS 21	*Translation to a Hyperinflationary Presentation Currency*[1]
Amendments to HKAS 28	*Fair Value Option for Investments in Associates and Joint Ventures*[1]

1 Effective for annual/reporting periods beginning on or after 1 January 2027

2 No mandatory effective date yet determined but available for adoption

3 Effective for annual periods beginning on or after 1 January 2029

The Group is in the process of making an assessment of the impact of these new and amended HKFRS Accounting Standards upon initial application. So far, the Group considers that new and amended HKFRS Accounting Standards are unlikely to have a significant impact on the Group's financial performance and financial position.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 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. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 Earnings per Share and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The application of HKFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the profit or loss and other comprehensive income and statement of cash flows and additional disclosure will be included in the financial statements. The Group will continue to assess the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

2.3 MATERIAL ACCOUNTING POLICIES

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Historical Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Historical Financial Information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are 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. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

  (i) has control or joint control over the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

  (i) the entity and the Group are members of the same group;

  (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

  (iii) the entity and the Group are joint ventures of the same third party;

  (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

  (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

  (vi) the entity is controlled or jointly controlled by a person identified in (a);

  (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

  (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives of property, plant and equipment are as follows:

Machinery	10 years
Electronic equipment	5 years
Other equipment	5 or 10 years
Leasehold improvements	Shorter of remaining lease terms and estimated useful lives

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives. The principal estimated useful lives of intangible assets are as follows:

Software	3 years

Research and development costs

All research costs are charged to the statement of profit of loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Office premises	4 to 5 years
Leasehold land	50 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in- substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group's lease liabilities are presented as a separate line item on the consolidated statements of financial position.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office premises (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that is considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs.

Stage 1	–	Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
Stage 2	–	Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
Stage 3	–	Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and redemption liabilities on equity shares.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include redemption liabilities on equity shares.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in HKFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. 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.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and 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.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed. Government grants received for which related expenditure has not yet been undertaken are included in other payables and accruals in the consolidated statement of financial position.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

(a) Technology transfer

Revenue from the technology transfer is recognised at the point in time when control of the services is transferred to the customer, generally when the performance obligation is satisfied.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

Employees (including directors) receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using the back-solve method, further details of which are given in note 26 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

Other employee benefits

Pension scheme

The employees of the Group which operates in the Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. The Company and its subsidiaries operating in the Chinese mainland are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Housing fund — Chinese mainland

The Group contributes on a monthly basis to a defined contribution housing fund plan operated by the local municipal government. Contributions to this plan by the Group are expensed as incurred.

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information:

Research and development costs

Development costs incurred on the Group's product pipelines are capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, the Group's intention to complete and the Group's ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the pipeline and the ability to measure reliably the expenditure during the development. Development costs which do not meet these criteria are expensed when incurred. Determining the amounts to be capitalised requires management to make assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits. During the Relevant Periods, all expenses incurred for research and development activities were expensed when incurred.

Significant judgement in determining the lease term of contracts with renewal options

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate the lease.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end 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.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as a subsidiary's stand-alone credit rating).

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets (including right-of-use assets) at the end of each reporting period. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Fair value of redemption liabilities on equity shares

The redemption liabilities on equity shares issued by the Group are not traded in an active market and the respective fair value is determined by using valuation techniques, including the back-solve method. Such valuation is based on key parameters about risk-free interest rate, discounts for lack of marketability ("DLOM") and volatility, which are subject to uncertainty and might materially differ from the actual results.

The fair values of redemption liabilities on equity shares of the Group as at 31 December 2024 and 2025 and 30 June 2026 were RMB556,135,000 and RMB954,648,000 and RMB965,323,000, respectively. Further details are set out in note 21 to the Historical Financial Information.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. There were no deferred tax assets recognised for tax losses as at the end of each of the Relevant Periods. Further details are contained in note 23 to the Historical Financial Information.

Share-based payments

The Group has granted restricted shares to the Group's employees. The Company has engaged an independent valuer to determine the fair value of the shares granted to employees, which is expensed over the vesting periods. Unobservable inputs such as the risk-free interest rate, volatility and DLOM, are used in determining the fair value of the share-based payment expense.

4. OPERATING SEGMENT INFORMATION

Operating segment information

For management purposes, the Group has only one reportable operating segment, which is the development and commercialisation of biopharmaceutical products and no further operating segment analysis thereof is presented.

Geographical information

(a) Revenue from external customers

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Chinese mainland	943	509	–	–

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Chinese mainland	49,060	88,710	111,352

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

5. REVENUE

An analysis of revenue is as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Revenue from contracts with customers	943	509	–	–

(a) Disaggregated revenue information

Type of services

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Technology transfer	943	509	–	–

Geographical market

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Chinese mainland	943	509	–	–

Timing of revenue recognition

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Transferred at a point in time	943	509	–	–

(b) Performance obligation

(i) Technology transfer

The performance obligation is satisfied at the point in time as services are rendered. The payment terms are usually negotiated between the Group and the customers on an individual contract basis.

6. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Other income				
Government grants *(note)*	14,847	9,365	9,365	64
Bank interest income	552	328	205	49
Investment income from financial assets at FVTPL	721	1,511	500	1,076
Total other income	16,120	11,204	10,070	1,189
Gains				
Fair value gains on financial assets at FVTPL	74	247	79	299
Total other income and gains	16,194	11,451	10,149	1,488

Note: Government grants during the Relevant Periods and the six months ended 30 June 2025 were mainly attributable to the Group's research and development costs. Government grants received for which the related expenditure has not yet incurred are included in other payables and accruals in the consolidated statement of financial position. There are no unfulfilled conditions or contingencies relating to these government grants.

7. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

		Year ended 31 December		Six months ended 30 June	
	Notes	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Depreciation of property, plant and equipment*	*14*	4,409	2,387	1,535	777
Amortisation of intangible assets**		157	80	40	42

	Notes	Year ended 31 December		Six months ended 30 June	
		2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Depreciation of right-of-use assets	*15*	1,302	1,258	650	530
Research and development costs		64,528	86,500	34,147	43,977
(Reversal of impairment)/impairment of financial assets, net		(18)	23	24	5
Expenses relating to short-term leases	*15(c)*	11	139	64	37
[**REDACTED**] expenses		[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Staff costs (including directors', supervisor's and chief executive's emoluments):					
Salaries, bonuses, allowances and benefits in kind		37,060	43,767	18,625	32,790
Pension scheme contributions		2,850	3,364	1,573	1,960
Share-based payment expense***		–	93,082	–	–
Total		39,910	140,213	20,198	34,750

* The depreciation of property, plant and equipment is included in "Administrative expenses", "Research and development costs" and "Selling and marketing expenses" in the consolidated statements of profit or loss and other comprehensive income.

** The amortisation of intangible assets is included in "Administrative expenses" and "Research and development costs" in the consolidated statements of profit or loss and other comprehensive income.

*** Share-based payment expense is included in "Administrative expenses" and "Research and development costs" in the consolidated statements of profit or loss and other comprehensive income.

8. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Interest on bank borrowings	146	–	–	–
Interest on lease liabilities *(note 15)*	94	34	24	50
Transaction cost on issue of redemption liabilities on equity shares	944	500	200	–
Total	1,184	534	224	50

9. DIRECTORS', SUPERVISOR'S AND CHIEF EXECUTIVE'S REMUNERATION

Directors', supervisor's and chief executive's remuneration for the Relevant Periods and the six months ended 30 June 2025, is as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Fees	–	75	–	225

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Other emoluments:				
Salaries, allowances and benefits in kind	2,824	3,943	1,293	2,397
Performance related bonuses	3,278	4,236	1,463	5,777
Pension scheme contributions	143	162	72	72
Share-based payment expense	–	77,543	–	–
Subtotal	6,245	85,884	2,828	8,246
Total	6,245	85,959	2,828	8,471

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the Relevant Periods and the six months ended 30 June 2025 are as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Mr. Li Wai Man Raymond	–	25	–	75
Dr. Su Weike	–	25	–	75
Ms. Chu Yik Hei	–	25	–	75
Total	–	75	–	225

Mr. Li Wai Man Raymond, Dr. Su Weike and Ms. Chu Yik Hei were appointed as independent non-executive directors of the Company in November 2025.

There were no other emoluments payable to the independent non-executive directors during the Relevant Periods and the six months ended 30 June 2025.

(b) Directors (excluding independent non-executive directors), supervisors and chief executive

The remuneration of each of the Company's directors (excluding independent non-executive directors), the supervisor and the chief executive is set out below.

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Share-based payment expense	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2024						
Directors:						
Mr. Li Bangliang *(a)*	–	–	–	–	–	–
Dr. Lyu Yubin (chief executive) *(b)*	–	996	2,309	42	–	3,347
Ms. Lu Jian *(c)*	–	882	367	42	–	1,291
Mr. Li Yuedong *(d)*	–	–	–	–	–	–
Mr. Zhou Mi *(e)*	–	–	–	–	–	–
Mr. Zhang Yuhao *(f)*	–	–	–	–	–	–
Mr. Liu Xiaozhi *(g)*	–	–	–	–	–	–
Ms. Huang Xuehui *(i)*	–	289	355	17	–	661
Ms. Wang Zhiying *(j)*	–	–	–	–	–	–
Subtotal	–	2,167	3,031	101	–	5,299
Supervisor:						
Dr. Zheng Mei *(h)*	–	657	247	42	–	946
Total	–	2,824	3,278	143	–	6,245

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Share-based payment expense	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2025						
Directors:						
Mr. Li Bangliang *(a)*	–	503	600	–	798	1,901
Dr. Lyu Yubin (chief executive) *(b)*	–	1,200	2,309	49	–	3,558
Ms. Lu Jian *(c)*	–	922	389	49	–	1,360
Mr. Li Yuedong *(d)*	–	750	700	24	76,745	78,219
Mr. Zhou Mi *(e)*	–	–	–	–	–	–
Mr. Zhang Yuhao *(f)*	–	–	–	–	–	–
Ms. Pei Yanlong *(k)*	–	–	–	–	–	–
Mr. Liu Xiaozhi *(g)*	–	–	–	–	–	–
Subtotal	–	3,375	3,998	122	77,543	85,038
Supervisor:						
Dr. Zheng Mei *(h)*	–	568	238	40	–	846
Total	–	3,943	4,236	162	77,543	85,884

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Share-based payment expense	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Six months ended 30 June 2025 (unaudited)						
Directors:						
Mr. Li Bangliang *(a)*	–	–	–	–	–	–
Dr. Lyu Yubin (chief executive) *(b)*	–	523	1,155	24	–	1,702
Ms. Lu Jian *(c)*	–	441	180	24	–	645
Mr. Li Yuedong *(d)*	–	–	–	–	–	–
Mr. Zhou Mi *(e)*	–	–	–	–	–	–
Mr. Zhang Yuhao *(f)*	–	–	–	–	–	–
Mr. Liu Xiaozhi *(g)*	–	–	–	–	–	–
Subtotal	–	964	1,335	48	–	2,347
Supervisor:						
Dr. Zheng Mei *(h)*	–	329	128	24	–	481
Total	–	1,293	1,463	72	–	2,828

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Share-based payment expense	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Six months ended 30 June 2026						
Directors:						
Mr. Li Bangliang *(a)*	–	603	1,603	–	–	2,206
Dr. Lyu Yubin (chief executive) *(b)*	–	648	1,345	24	–	2,017
Ms. Lu Jian *(c)*	–	498	693	24	–	1,215
Mr. Li Yuedong *(d)*	–	648	2,136	24	–	2,808
Mr. Zhou Mi *(e)*	–	–	–	–	–	–
Mr. Zhang Yuhao *(f)*	–	–	–	–	–	–
Total	–	2,397	5,777	72	–	8,246

Notes:

(a) Mr. Li Bangliang was appointed as a director of the Company with effect from May 2024 and was appointed as the chairman of the board with effect from December 2024.

(b) Dr. Lyu Yubin was appointed as a director and the general manager of the Company with effect from October 2020 and was appointed as the chairman of the board from May 2021 to December 2024. Dr. Lyu Yubin resigned from his position as chairman of the board in December 2024, while continuing to serve as a director and the general manager of the Company thereafter.

(c) Ms. Lu Jian was appointed as a director of the Company with effect from February 2023.

(d) Mr. Li Yuedong was appointed as a director of the Company with effect from May 2024.

(e) Mr. Zhou Mi was appointed as a director of the Company with effect from May 2021.

(f) Mr. Zhang Yuhao was appointed as a director of the Company with effect from February 2023.

(g) Mr. Liu Xiaozhi was appointed as a director of the Company with effect from May 2024 and resigned in August 2025.

(h) Dr. Zheng Mei was appointed as a supervisor of the Company with effect from February 2023. Upon the completion of conversion into a joint stock limited company, no supervisory board would be set up. Therefore Dr. Zheng Mei has been no longer served as a supervisor since 26 November 2025, meanwhile continued to serve as an employee of the Company.

(i) Ms. Huang Xuehui was appointed as a director of the Company with effect from May 2021 and resigned from her position as a director in May 2024, meanwhile continued to serve as an employee of the Company.

(j) Ms. Wang Zhiying was appointed as a director of the Company with effect from May 2021 and resigned in May 2024.

(k) Ms. Pei Yanlong was appointed as a director of the Company with effect from August 2025 and resigned in November 2025.

On 5 January 2026, Mr. Li Bangliang, Dr. Lyu Yubin, Ms. Lu Jian and Mr. Li Yuedong were re-designated as executive directors.

On 5 January 2026, Mr. Zhou Mi and Mr. Zhang Yuhao were re-designated as non-executive directors.

During the year ended 31 December 2025, two directors were granted share awards in respect of their services to the Group, further details of which are set out in note 26 to the Historical Financial Information. The fair value of such shares, which has been recognised in profit or loss, was determined as at the date of grant and the related expenses included in the Historical Financial Information for the year ended 31 December 2025 have been included in the above directors', supervisor's and chief executive's remuneration disclosures.

There was no arrangement under which a director, a supervisor or the chief executive of the Company waived or agreed to waive any remuneration during the Relevant Periods and the six months ended 30 June 2025.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the Relevant Periods and the six months ended 30 June 2025 included three, two, four, and two directors and one supervisor, respectively, details of whose remuneration are set out in note 9 above. Details of the remuneration of the remaining highest paid employees who are not a director or supervisor of the Company for the Relevant Periods and the six months ended 30 June 2025 are as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Salaries, allowances and benefits in kind	1,627	1,345	1,022	483
Performance related bonuses	406	978	545	720
Pension scheme contributions	42	121	24	–
Share-based payment expense	–	5,004	–	–
Total	2,075	7,448	1,591	1,203

The numbers of non-director and non-supervisor highest paid employees whose remuneration fell within the following bands are as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	Number of employees	*Number of employees*	*Number of employees (unaudited)*	*Number of employees*
HK$500,001 to HK$1,000,000	1	–	1	–
HK$1,000,001 to HK$1,500,000	1	–	1	1
HK$2,500,001 to HK$3,000,000	–	3	–	–
Total	2	3	2	1

During the year ended 31 December 2025, three non-director and non-chief executive highest paid employees were granted share awards in respect of their services to the Group, further details of which are set out in note 26 to the Historical Financial Information. The fair value of such shares, which has been recognised in profit or loss, was determined as at the date of grant and the related expenses included in the Historical Financial Information for the year ended 31 December 2025 have been included in the above remuneration disclosures.

11. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the EIT rate of the Company and the PRC subsidiaries was 25% during the Relevant Periods and the six months ended 30 June 2025.

A reconciliation of tax charge applicable to loss before tax at the statutory rate to the tax expense at the effective tax rate is as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Loss before tax	(88,444)	(298,523)	(33,236)	(80,155)
Tax at the statutory tax rate of 25%	(22,111)	(74,631)	(8,309)	(20,039)
Additional deductible allowance for research and development costs*	(13,765)	(17,204)	(7,959)	(9,832)
Deductible temporary differences and tax losses not recognised	28,839	40,262	15,519	26,706
Expenses not deductible for tax**	7,037	51,573	782	3,165
Tax charge at the Group's effective rate	–	–	33	–

* According to the EIT Law, an additional 100% of qualified research and development costs incurred is allowed to be deducted from taxable income effective from 1 October 2022.

** Expenses not deductible for tax mainly include fair value loss on redemption liabilities on equity shares and share-based payment expenses.

Deferred tax assets have not been recognised in respect of these losses and deductible temporary differences as it is not considered probable that taxable profits in the foreseeable future will be available against which the tax losses can be utilised.

12. DIVIDENDS

No dividend was paid or declared by the Company during the Relevant Periods and the six months ended 30 June 2025.

13. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss for the year/period attributable to the ordinary equity holders of the parent, and the weighted average numbers of ordinary shares of 39,902,846, 45,603,725, 50,838,962 and 42,709,463 (unaudited) outstanding during the Relevant Periods and the six months ended 30 June 2025, respectively.

The calculation of the diluted loss per share is based on the loss for the year/period attributable to ordinary equity holders of the parent, adjusted to reflect the dilutive impact of the change in fair value of redemption liabilities on equity shares. The weighted average number of ordinary shares used in the calculation of diluted loss per share is based on the number of ordinary shares outstanding during the year/period used in the basic loss per share calculation adjusted for the dilutive effect of redemption liabilities on equity shares.

No adjustment has been made to the basic loss per share amounts presented for the Relevant Periods and the six months ended 30 June 2025 in respect of a dilution as the impact of the special rights attached to the Company's Shares (defined in note 21) had an anti-dilutive effect on the basic loss per share amounts presented.

The calculation of basic and diluted loss per share is based on:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Loss				
Loss attributable to ordinary equity holders of the parent	(88,444)	(298,523)	(33,269)	(80,155)
Shares				
Weighted average number of ordinary shares outstanding during the year/period used in the basic loss per share calculation	39,902,846	45,603,725	42,709,463	50,838,962
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (Expressed in RMB)				
– Basic and diluted	(2.22)	(6.55)	(0.78)	(1.58)

14. PROPERTY, PLANT AND EQUIPMENT

The Group

	Machinery	Electronic equipment	Other equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2024						
At 1 January 2024:						
Cost	9,053	942	1,001	8,124	–	19,120
Accumulated depreciation	(1,523)	(333)	(309)	(4,730)	–	(6,895)
Net carrying amount	7,530	609	692	3,394	–	12,225
At 1 January 2024, net of accumulated depreciation	7,530	609	692	3,394	–	12,225
Additions	–	52	–	–	7,498	7,550
Depreciation provided during the year	(1,294)	(205)	(191)	(2,719)	–	(4,409)
At 31 December 2024, net of accumulated depreciation	6,236	456	501	675	7,498	15,366
At 31 December 2024:						
Cost	9,053	994	1,001	8,124	7,498	26,670
Accumulated depreciation	(2,817)	(538)	(500)	(7,449)	–	(11,304)
Net carrying amount	6,236	456	501	675	7,498	15,366
As at 31 December 2025						
At 1 January 2025:						
Cost	9,053	994	1,001	8,124	7,498	26,670
Accumulated depreciation	(2,817)	(538)	(500)	(7,449)	–	(11,304)
Net carrying amount	6,236	456	501	675	7,498	15,366

	Machinery	Electronic equipment	Other equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025, net of accumulated depreciation	6,236	456	501	675	7,498	15,366
Additions	9	216	–	–	39,968	40,193
Depreciation provided during the year	(1,282)	(238)	(192)	(675)	–	(2,387)
At 31 December 2025, net of accumulated depreciation	4,963	434	309	–	47,466	53,172
At 31 December 2025:						
Cost	9,062	1,210	1,001	8,124	47,466	66,863
Accumulated depreciation	(4,099)	(776)	(692)	(8,124)	–	(13,691)
Net carrying amount	4,963	434	309	–	47,466	53,172
As at 30 June 2026						
At 1 January 2026:						
Cost	9,062	1,210	1,001	8,124	47,466	66,863
Accumulated depreciation	(4,099)	(776)	(692)	(8,124)	–	(13,691)
Net carrying amount	4,963	434	309	–	47,466	53,172
At 1 January 2026, net of accumulated depreciation	4,963	434	309	–	47,466	53,172
Additions	–	–	–	–	15,775	15,775
Depreciation provided during the period	(574)	(108)	(95)	–	–	(777)
At 30 June 2026, net of accumulated depreciation	4,389	326	214	–	63,241	68,170
At 30 June 2026:						
Cost	9,062	1,210	1,001	8,124	63,241	82,638
Accumulated depreciation	(4,673)	(884)	(787)	(8,124)	–	(14,468)
Net carrying amount	4,389	326	214	–	63,241	68,170

The Company

	Machinery	Electronic equipment	Other equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2024					
At 1 January 2024:					
Cost	9,053	942	1,001	8,124	19,120
Accumulated depreciation	(1,523)	(333)	(309)	(4,730)	(6,895)
Net carrying amount	7,530	609	692	3,394	12,225
At 1 January 2024, net of accumulated depreciation	7,530	609	692	3,394	12,225
Additions	–	48	–	–	48
Depreciation provided during the year	(1,294)	(205)	(191)	(2,719)	(4,409)
At 31 December 2024, net of accumulated depreciation	6,236	452	501	675	7,864

	Machinery	Electronic equipment	Other equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2024:					
Cost	9,053	990	1,001	8,124	19,168
Accumulated depreciation	(2,817)	(538)	(500)	(7,449)	(11,304)
Net carrying amount	6,236	452	501	675	7,864
As at 31 December 2025					
At 1 January 2025:					
Cost	9,053	990	1,001	8,124	19,168
Accumulated depreciation	(2,817)	(538)	(500)	(7,449)	(11,304)
Net carrying amount	6,236	452	501	675	7,864
At 1 January 2025, net of accumulated depreciation	6,236	452	501	675	7,864
Additions	9	216	–	–	225
Depreciation provided during the year	(1,282)	(238)	(192)	(675)	(2,387)
At 31 December 2025, net of accumulated depreciation	4,963	430	309	–	5,702
At 31 December 2025:					
Cost	9,062	1,206	1,001	8,124	19,393
Accumulated depreciation	(4,099)	(776)	(692)	(8,124)	(13,691)
Net carrying amount	4,963	430	309	–	5,702
As at 30 June 2026					
At 1 January 2026:					
Cost	9,062	1,206	1,001	8,124	19,393
Accumulated depreciation	(4,099)	(776)	(692)	(8,124)	(13,691)
Net carrying amount	4,963	430	309	–	5,702
At 1 January 2026, net of accumulated depreciation	4,963	430	309	–	5,702
Additions	–	–	–	–	–
Depreciation provided during the period	(574)	(108)	(95)	–	(777)
At 30 June 2026, net of accumulated depreciation	4,389	322	214	–	4,925
At 30 June 2026:					
Cost	9,062	1,206	1,001	8,124	19,393
Accumulated depreciation	(4,673)	(884)	(787)	(8,124)	(14,468)
Net carrying amount	4,389	322	214	–	4,925

15. LEASES

The Group as a lessee

The Group has lease contracts for leasehold land and various office premises used in its operations. Lump sum payments were made upfront to acquire the leasehold land from the government with lease periods of 50 years, and no ongoing payments will be made under the terms of these land leases. The lease of office premises has lease terms between 4 and 5 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the Relevant Periods are as follows:

	Office premises	Leasehold land	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2024	2,822	–	2,822
Additions	–	17,067	17,067
Depreciation charge	(1,302)	(171)	(1,473)
As at 31 December 2024 and 1 January 2025	1,520	16,896	18,416
Revision of lease terms	(136)	–	(136)
Depreciation charge	(1,258)	(342)	(1,600)
As at 31 December 2025 and 1 January 2026	126	16,554	16,680
Additions	4,851	–	4,851
Depreciation charge	(530)	(171)	(701)
As at 30 June 2026	4,447	16,383	20,830

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at the beginning of year/period	2,526	1,100	–
New leases	–	–	4,616
Revision of lease terms	–	(136)	–
Accretion of interest recognised during the year/period	94	34	50
Payments	(1,520)	(998)	(469)
Carrying amount at the end of year/period	1,100	–	4,197
Analysed into:			
Current portion	1,100	–	1,166
Non-current portion	–	–	3,031

The maturity analysis of lease liabilities is disclosed in note 32 to the Historical Financial Information.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Depreciation charge of right-of-use assets *(note 7)*	1,302	1,258	650	530
Interest on lease liabilities *(note 8)*	94	34	24	50
Expenses relating to short-term leases *(note 7)*	11	139	64	37
Total amount recognised in profit or loss	1,407	1,431	738	617

(d) The total cash outflow for leases is disclosed in note 27(c) to the Historical Financial Information.

The Company as a lessee

(a) Right-of-use assets

The carrying amounts of right-of-use assets and the movements during the Relevant Periods are as follows:

	Office premises	Total
	RMB'000	*RMB'000*
As at 1 January 2024	2,822	2,822
Depreciation charge	(1,302)	(1,302)
As at 31 December 2024 and 1 January 2025	1,520	1,520
Revision of lease terms	(136)	(136)
Depreciation charge	(1,258)	(1,258)
As at 31 December 2025 and 1 January 2026	126	126
Additions	4,851	4,851
Depreciation charge	(530)	(530)
As at 30 June 2026	4,447	4,447

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at the beginning of year/period	2,526	1,100	–
New leases	–	–	4,616
Revision of lease terms	–	(136)	–
Accretion of interest recognised during the year/period	94	34	50
Payments	(1,520)	(998)	(469)
Carrying amount at the end of year/period	1,100	–	4,197
Analysed into:			
Current portion	1,100	–	1,166
Non-current portion	–	–	3,031

16. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Current:			
Prepayments	2,107	7,159	7,276
Other receivables	83	508	574
Deferred [**REDACTED**] expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Value-added tax recoverable	–	2,033	–
	2,190	11,905	12,598
Impairment	(4)	(27)	(32)
Subtotal	2,186	11,878	12,566
Non-current:			
Value-added tax recoverable	15,091	18,751	22,208
Subtotal	15,091	18,751	22,208
Total	17,277	30,629	34,774

The Company

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Current:			
Prepayments	2,107	7,159	7,276
Other receivables	15	407	506
Deferred [**REDACTED**] expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Value-added tax recoverable	–	2,033	–
	2,122	11,804	12,530
Impairment	(1)	(21)	(25)
Subtotal	2,121	11,783	12,505
Non-current:			
Value-added tax recoverable	14,923	16,238	18,177
Subtotal	14,923	16,238	18,177
Total	17,044	28,021	30,682

At the end of each of the Relevant Periods, the ECLs of the financial assets included in prepayments, other receivables and other assets were measured based on the 12-month expected credit loss if they were not past due and there was no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, they were measured based on the lifetime expected credit loss. The Group's expected credit loss rates for other receivables were 5.00%, 5.71% and 5.59% as at 31 December 2024, 31 December 2025 and 30 June 2026, respectively. An impairment analysis was performed at the end of each of the Relevant Periods. The balances are interest-free and are not secured with collateral.

17. FINANCIAL ASSETS AT FVTPL

The Group

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Wealth management products	40,074	80,247	85,495

The Company

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Wealth management products	–	50,245	60,481

The above unlisted investments were wealth management products issued by banks in the Chinese mainland. They were mandatorily classified as financial assets at FVTPL as their contractual cash flows are not solely payments of principal and interest.

18. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS

The Group

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	77,278	199,998	107,202
Less:			
Restricted bank deposits *(note a)*			
–Current	(1,554)	(2,677)	(2,677)
–Non-current	(7,000)	(7,000)	(7,000)
Subtotal	(8,554)	(9,677)	(9,677)
Cash and cash equivalents	68,724	190,321	97,525
Denominated in:			
RMB	68,724	190,321	97,525

The Company

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Cash and cash equivalents	32,012	173,394	93,843
Denominated in:			
RMB	32,012	173,394	93,843

Note:

(a) Restricted bank deposits mainly represented cash pledged as security for bank guarantees issued in connection with the construction of manufacturing facilities of the subsidiary.

The RMB is not freely convertible into other currencies, however, under the Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

19. TRADE PAYABLES

The Group and the Company

An ageing analysis of the trade payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	5,749	5,247	5,694

The trade payables are non-interest-bearing and are normally settled on terms within 30 to 120 days.

20. OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Current:			
Payroll payable	9,854	12,802	11,065
Other payables *(a)*	2,270	14,720	13,233
Government grants	317	–	–
Tax payable	359	603	3,141
Accrued [**REDACTED**] expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Subtotal	12,800	30,458	30,586
Non-current:			
Other payables	–	1,231	1,721
Subtotal	–	1,231	1,721
Total	12,800	31,689	32,307

(a) Other payables are non-interest-bearing and have an average payment term of three months.

The Company

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Payroll payable	9,854	12,802	11,065
Tax payable	243	402	3,041
Government grants	317	–	–
Other payables	376	777	579
Accrued [**REDACTED**] expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Total	10,790	16,314	17,832

21. REDEMPTION LIABILITIES ON EQUITY SHARES

From December 2020 to December 2025, the Company received several rounds of investments as follows:

In December 2020, the Company issued 4,090,909 series A equity shares with a par value of RMB1.00 per share ("Series A Shares") to several investors for a cash consideration of RMB144,000,000 or RMB35.20 per share.

In December 2022, the Company issued 5,297,203 series B1 equity shares with a par value of RMB1.00 per share ("Series B1 Shares") to several investors for a cash consideration of RMB202,000,000 or RMB38.13 per share.

In September 2023, the Company issued 1,048,951 series B2 equity shares with a par value of RMB1.00 per share ("Series B2 Shares") to one investor for a cash consideration of RMB40,000,000 or RMB38.13 per share.

In March 2024, the Company issued 944,056 series B3 equity shares with a par value of RMB1.00 per share ("Series B3 Shares") to several investors for a cash consideration of RMB36,000,000 or RMB38.13 per share.

In May 2024, the Company issued 2,360,140 series B4-1 equity shares with a par value of RMB1.00 per share ("Series B4-1 Shares") to one investor for a cash consideration of RMB90,000,000 or RMB38.13 per share.

In February 2025, the Company issued 3,409,090 series B4-2 equity shares with a par value of RMB1.00 per share ("Series B4-2 Shares") to several investors for a cash consideration of RMB130,000,000 or RMB38.13 per share.

In March 2025, the Company issued 786,713 series B4-3 equity shares with a par value of RMB1.00 per share ("Series B4-3 Shares") to one investor for a cash consideration of RMB30,000,000 or RMB38.13 per share.

In August 2025, the Company issued 1,048,951 series B5 equity shares with a par value of RMB1.00 per share ("Series B5 Shares") to one investor for a cash consideration of RMB40,000,000 or RMB38.13 per share.

In November 2025, the Company issued 1,852,949 series C equity shares with a par value of RMB1.00 per share ("Series C Shares") to several investors for a cash consideration of RMB87,000,000 or RMB46.95 per share.

Series A Shares, Series B1 Shares, Series B2 Shares, Series B3 Shares, Series B4-1 Shares, Series B4-2 Shares, Series B4-3 Shares, Series B5 Shares and Series C Shares are collectively referred to as "Shares".

The key terms of the Shares are summarised as follows:

(1) Redemption rights

Upon the occurrence of any redemption triggering events (including but not limited to the Company's failure to complete a qualified issue of shares from [**REDACTED**] ("[**REDACTED**]") and investment commitment at specified dates), the Company, the founders or the key person, at the request of the holders of the Shares, redeem all or any portion of the redemption liabilities held by such equity holders. The redemption price shall be determined as the higher of (i) the investment cost plus a simple fixed rate per annum and deduct the dividends received by the equity holders from the Company according to share percentage and (ii) the net assets of the Company at the time of redemption attributable to the shareholders according to share percentage.

(2) Liquidation preferences

In the event of any liquidation, dissolution or deemed liquidation event, the holders of the Shares shall be entitled to be paid, out of the funds and assets available for distribution to the members of the Company, an amount per share equal to the original issue price for each series of equity shares with an annual simple fixed interest rate and deduct any dividends received by the equity holders from the Company according to share percentage thereon in the same sequence.

(3) Anti-dilution rights

If the Company increases its paid-in capital at a price lower than the price paid by the investors on a per paid-in capital basis without consent, the holders of the Shares have a right to require the Company to issue additional paid-in capital at the lowest issue price permitted by law to the holders of the Shares or receive cash compensation from the Company, and

the holders of the Shares also have a right to require the founders to transfer shares to the investors at the lowest issue price permitted by law or receive cash compensation from the founders, so that the total amount paid by the investors divided by the total amount of paid-in capital obtained is equal to the price per paid-in capital in the new issuance.

Presentation and classification

The Group and the Company have designated the Shares issued to the holders of the Shares as a whole as financial liabilities carried at FVTPL and presented as "redemption liabilities on equity shares" in the consolidated statements of financial position. The change in fair value of the redemption liabilities on equity shares is charged to profit or loss except for the portion attributable to credit risk changes that shall be charged to other comprehensive income. Management considered that the fair value change in the redemption liabilities on equity shares attributable to changes of own credit risk was not significant.

The movements in redemption liabilities on equity shares are set out as follows:

	Series A Shares	Series B1 Shares	Series B2 Shares	Series B3 Shares	Series B4-1 Shares	Series B4-2 Shares	Series B4-3 Shares	Series B5 Shares	Series C Shares	Total Shares
At 1 January 2024	158,329	204,297	39,784	–	–	–	–	–	–	402,410
Issue	–	–	–	36,000	90,000	–	–	–	–	126,000
Change in fair value	10,752	10,999	2,167	1,144	2,663	–	–	–	–	27,725
At 31 December 2024	169,081	215,296	41,951	37,144	92,663	–	–	–	–	556,135
Issue	–	–	–	–	–	130,000	30,000	40,000	87,000	287,000
Change in fair value	22,153	30,578	6,137	5,582	13,999	21,284	5,425	6,261	94	111,513
At 31 December 2025	191,234	245,874	48,088	42,726	106,662	151,284	35,425	46,261	87,094	954,648
Change in fair value	1,944	2,580	534	505	1,267	1,960	429	593	863	10,675
At 30 June 2026	193,178	248,454	48,622	43,231	107,929	153,244	35,854	46,854	87,957	965,323

The Company has engaged an independent valuer to determine the fair values of the redemption liabilities on equity shares. The back-solve method of the market approach is used to determine the total equity value of the Group and the equity allocation based on the hybrid method, i.e., hybrid between the probability-weighted expected return method and the option pricing method, was adopted to determine the fair value of the redemption liabilities at the end of each of the Relevant Periods.

In addition to the underlying share value of the Company determined by the back-solve method, other key valuation assumptions used in the option pricing method to determine the fair value are as follows:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Risk-free interest rate	1.19%	1.36%	1.18%
DLOM	12.50%	10.22%	7.47%
Volatility	36.97%	37.01%	39.00%
Possibilities under liquidation scenario	30%	25%	22.5%
Possibilities under redemption scenario	30%	25%	22.5%
Possibilities under conversion scenario	40%	50%	55%

The Group estimated the risk-free interest rate based on the yield of China government bonds with maturity close to the expected exit timing as of the valuation date. The DLOM was estimated based on the option-pricing method. Under the option-pricing method, the cost of a put option, which can hedge the price change before the privately held share can be sold, was considered as a basis to determine the DLOM. Volatility was estimated based on annualised standard deviation of daily share price returns of comparable companies for a period from the valuation date and with a similar span as time to expiration.

22. CONTRACT LIABILITIES

The Group and the Company

Details of contract liabilities are as follows:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Short-term advances received from customers	4,245	3,736	3,736

The contract liabilities primarily relate to the Group's obligations to transfer control of the related goods or services for which the Group has received the consideration from the customers.

23. DEFERRED TAX

The Group and the Company

Deferred tax liabilities

	Right-of-use assets
	RMB'000
As at 1 January 2024	706
Credited to the consolidated statements of profit or loss and other comprehensive income	(326)
As at 31 December 2024	380
Credited to the consolidated statements of profit or loss and other comprehensive income	(348)
As at 31 December 2025	32
Charged to the consolidated statements of profit or loss and other comprehensive income	1,080
As at 30 June 2026	1,112

Deferred tax assets

	Tax losses	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2024	74	632	706
Credited/(charged) to the consolidated statements of profit or loss and other comprehensive income	31	(357)	(326)
As at 31 December 2024	105	275	380
Charged to the consolidated statements of profit or loss and other comprehensive income	(73)	(275)	(348)
As at 31 December 2025	32	–	32
Credited to the consolidated statements of profit or loss and other comprehensive income	31	1,049	1,080
As at 30 June 2026	63	1,049	1,112

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statements of financial position	–	–	–
Net deferred tax liabilities recognised in the consolidated statements of financial position	–	–	–
	=	=	=

The Group had tax losses in the Chinese mainland of RMB638,833,000 and RMB793,608,000 and RMB908,515,000 in aggregate as at 31 December 2024 and 2025 and 30 June 2026, respectively, that will expire in one to ten years for offsetting against future taxable profits of the company in which the losses arose.

Deferred tax assets for the Company and certain subsidiaries have not been recognised in respect of the tax losses and deductible temporary differences as it is not considered probable that taxable profits will be available against which the above items can be utilised.

24. PAID-IN CAPITAL/SHARE CAPITAL

The Group and The Company

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Issued and fully paid	41,356	50,839	50,839

A summary of movements in the Company's issued paid-in capital/share capital during the Relevant Periods is as follows:

	Pain-in capital
	RMB'000
As at 1 January 2024	38,052
Issue of new shares *(note a)*	3,304
As at 31 December 2024 and 1 January 2025	41,356
Issue of new shares *(note b)*	5,245
Capital contribution from an employee incentive platform *(note c)*	2,385
Conversion of the Company into a joint stock company *(note d)*	(48,986)
As at 31 December 2025	–

	Number of shares in issue	Share capital
		RMB'000
As at 1 January 2025	–	–
Conversion of the Company into a joint stock company *(note d)*	48,986,013	48,986
Issue of new shares *(note b)*	1,852,949	1,853
As at 31 December 2025 and 30 June 2026	50,838,962	50,839

Notes:

(a) In 2024, consideration for 944,056 Series B3 Shares of RMB36,000,000, and consideration for 2,360,140 Series B4-1 Shares of RMB90,000,000, were settled by several investors.

(b) In 2025, consideration for 3,409,090 Series B4-2 Shares of RMB130,000,000, consideration for 786,713 Series B4-3 Shares of RMB30,000,000, consideration for 1,048,951 Series B5 Shares of RMB40,000,000, and consideration for 1,852,949 Series C Shares of RMB87,000,000 were settled by several investors.

(c) In 2025, the consideration and registered capital of RMB2,385,000 were settled by an employee incentive platform.

(d) Pursuant to the shareholders' resolutions dated 18 October 2025, the then shareholders of the Company approved the conversion of the Company into a joint stock company with limited liabilities with 48,986,013 shares in a nominal value of RMB1.00 each. Upon the completion of registration with the Administration for Market Regulation of the Hangzhou (杭州市市場監督管理局) on 26 November 2025, the Company was converted into a joint stock company with limited liability.

25. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the Relevant Periods and the six months ended 30 June 2025 are presented in the consolidated statements of changes in equity.

(a) Capital reserve

The capital reserve of the Group mainly represents the difference between the par value of the shares issued and the consideration received.

(b) Share-based payment reserve

The share-based payment reserve represents the equity-settled share-based payment expenses as set out in note 26 to the Historical Financial Information.

(c) Other reserves

Other reserve of the Group represents the initial recognition of the redemption liabilities from reserve with the carrying amount of the consideration received from the holders of the Shares, investments with redemption rights are stipulated in note 21 to the Historical Financial Information.

The Company

	Capital reserve	Other reserves	Share-based payment reserve	Accumulated losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	389,963	(386,000)	–	(365,002)	(361,039)
Issue of new shares	122,696	–	–	–	122,696
Recognition of redemption liabilities on equity shares *(note 21)*	–	(126,000)	–	–	(126,000)
Total comprehensive loss for the year	–	–	–	(88,405)	(88,405)
At 31 December 2024 and 1 January 2025	512,659	(512,000)	–	(453,407)	(452,748)
Issue of new shares	279,902	–	–	–	279,902
Conversion of the Company into a joint stock company	(480,019)	–	–	480,019	–
Share-based payments *(note 26)*	–	–	93,082	–	93,082
Vesting of awarded shares	93,082	–	(93,082)	–	–
Recognition of redemption liabilities on equity shares *(note 21)*	–	(287,000)	–	–	(287,000)
Total comprehensive loss for the year	–	–	–	(298,425)	(298,425)
At 31 December 2025 and 1 January 2026	405,624	(799,000)	–	(271,813)	(665,189)
At 31 December 2024 and 1 January 2025	512,659	(512,000)	–	(453,407)	(452,748)
Issue of new shares	155,804	–	–	–	155,804
Recognition of redemption liabilities on equity shares	–	(160,000)	–	–	(160,000)
Total comprehensive loss for the period	–	–	–	(33,269)	(33,269)
At 30 June 2025 (unaudited)	668,463	(672,000)	–	(486,676)	(490,213)
At 31 December 2025 and 1 January 2026	405,624	(799,000)	–	(271,813)	(665,189)
Total comprehensive loss for the period	–	–	–	(79,910)	(79,910)
At 30 June 2026	405,624	(799,000)	–	(351,723)	(745,099)

26. SHARE-BASED PAYMENTS

On 22 July 2025, two shareholders of Hangzhou Jiuyin Pharmaceutical Technology Co., Ltd. ("**Hangzhou Jiuyin**"), a substantial shareholder of the Company, transferred a total of 600,000 ordinary shares of Hangzhou Jiuyin to Mr. Li Yuedong and Ms. Hu Qunyan, the assistant to the general manager of the Company, for a total cash consideration of RMB800,000. The fair value of the shares at the date of transfer was RMB23.52 per share. The 600,000 ordinary shares of Hangzhou Jiuyin were regarded as awarded shares to compensate Mr. Li Yuedong's and Ms. Hu Qunyan's services rendered to the Group and were vested immediately. Share-based payment expense of RMB13,313,000 were charged to the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025.

On 13 December 2023, Hangzhou Liuyintai Pharmaceutical Technology Partnership Enterprise (Limited Partnership) (杭州六因泰醫藥科技合夥企業(有限合夥)) ("Hangzhou Liuyintai") was established as an employee incentive platform of the Group. On 1 November 2025, the Company adopted a restricted share unit scheme (the "Scheme") for the purpose of rewarding Hangzhou Liuyintai's shares to eligible participants, which was approved by the board of shareholders of the Company. Eligible participants of the Scheme include the Company's directors and the Group's employees. In 2025, the Company granted 2,385,000 restricted share units under the Scheme to 11 employees. The restricted share units were vested immediately upon grant. The restricted share units granted to employees are accounted for as equity awards and are measured at their fair values of grant dates. During the year ended 31 December 2025, 2,385,000 restricted share units have been vested and there are no restricted share units outstanding under the Scheme. The Group recognised share-based payment expense of RMB79,769,000 in relation to the Scheme for the year ended 31 December 2025.

The Group has determined the fair value of the awarded shares and restricted share units based on the back-solve method. The inputs used for the determination of the fair value of ordinary shares are listed as follows:

	At grant dates
Risk-free interest rate	1.41%-1.42%
DLOM	10.53%-11.10%
Volatility	35.93%-36.72%

27. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the years ended 31 December 2024 and 2025 and the six months ended 30 June 2025 and 2026, the Group had non-cash additions to right-of-use assets and lease liabilities of nil, nil, nil and RMB4,616,000, respectively, in respect of lease arrangements for office premises.

(b) Changes in liabilities arising from financing activities

	Lease liabilities	Bank loans	Redemption liabilities on equity shares
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2024	2,526	5,350	402,410
Accretion of interest	94	146	–
Additions	–	–	126,000
Payments	(1,520)	(5,496)	–
Change in fair value of redemption liabilities on equity shares	–	–	27,725
At 31 December 2024	1,100	–	556,135

	Lease liabilities	Redemption liabilities on equity shares	Accrued [REDACTED] expenses
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2025	1,100	556,135	[**REDACTED**]
Accretion of interest	34	–	[**REDACTED**]
Additions	–	287,000	[**REDACTED**]
Payments	(998)	–	[**REDACTED**]
Changes from operating cash flows	–	–	[**REDACTED**]
Change in [**REDACTED**] expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Revision of lease terms	(136)	–	[**REDACTED**]
Change in fair value of redemption liabilities on equity shares	–	111,513	[**REDACTED**]
At 31 December 2025	–	954,648	[**REDACTED**]

	Lease liabilities	Redemption liabilities on equity shares
	RMB'000	*RMB'000*
At 1 January 2025	1,100	556,135
Accretion of interest	24	–
Additions	–	160,000
Payments	(431)	–
Change in fair value of redemption liabilities on equity shares	–	2,813
At 30 June 2025 (unaudited)	693	718,948

	Lease liabilities	Redemption liabilities on equity shares	Accrued [REDACTED] expenses
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2026	–	954,648	[**REDACTED**]
Accretion of interest	50	–	[**REDACTED**]
Additions	–	–	[**REDACTED**]
Payments	(469)	–	[**REDACTED**]
Changes from operating cash flows	–	–	[**REDACTED**]
Change in [**REDACTED**] expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
New leases	4,616	–	[**REDACTED**]
Change in fair value of redemption liabilities on equity shares	–	10,675	[**REDACTED**]
At 30 June 2026	4,197	965,323	[**REDACTED**]

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statements of cash flows is as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Within operating activities	11	139	64	37
Within financing activities	1,520	998	431	704
Total	1,531	1,137	495	741

28. COMMITMENTS

(a) The Group had the following contractual commitments at the end of each of the Relevant Periods:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Property, plant and equipment	176,042	132,875	115,839

(b) On 20 May 2024, a share subscription agreement (the "Series B4-1 Shares Investment Agreement") was entered into between the Company, the then shareholders and Shaoxing Binhai New Area Biomedical Industry Equity Investment Fund Partnership (L.P.) ("Binhai Industry Fund"). Binhai Industry Fund agreed to subscribe for 2,360,140 shares at a consideration of RMB90,000,000, which was disclosed in note 21 to the Historical Financial Information. Pursuant to the agreement, the Group committed to invest RMB108,000,000 in Shaoxing Binhai New Area within two years afterwards, representing 120% of the subscription consideration. As at 31 December 2024, the Company had completed the investment through capital injections to the subsidiary as disclosed in note 1 to the Historical Financial Information.

On 28 February 2025, a share subscription agreement (the "Series B4-2 Shares Investment Agreement") was entered into between the Company, the then shareholders and Hangzhou Yuhang Innovation and Development Industry Fund Co., Ltd. and Binhai Industry Fund. Binhai Industry Fund agreed to additionally subscribe for 2,884,615 shares at a total consideration of RMB110,000,000. Similarly, pursuant to the agreement, the Group committed to invest RMB132,000,000 in Shaoxing Binhai New Area within three years afterwards, representing 120% of the subscription consideration. Such investment projects include, but are not limited to, the actual investment amount paid by the Group or other investors recommended by the Group in Shaoxing Binhai New Area, new capital injections, and new fixed assets and net assets, which are calculated on a combined basis after eliminating duplication, as well as total taxes incurred. As at 31 December 2025 and 30 June 2026, no amount of investment fulfilment had been confirmed by Binhai Industry Fund.

29. RELATED PARTY TRANSACTIONS

(a) Name and relationship

The Directors are of the view that the following companies are related parties that had transactions or balances with the Group during the Relevant Periods and the six months ended 30 June 2025:

Name of the related party	Relationship with the Group
Zhejiang Huayi Pharmaceutical Co., Ltd.	The director of the Company has the power to exercise significant influence over this company
Hangzhou Tongtai Culture Communication Co., Ltd.	A close member of the director of the Company has control over this company

(b) Transactions with the related party

The Group had the following transactions with the related parties during the Relevant Periods and the six months ended 30 June 2025:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Purchases of services	390	1,035	1,035	551
Purchases of goods	–	7	7	–

(c) Compensation of key management personnel

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Salaries, allowances and benefits in kind	3,773	5,122	1,795	3,526
Performance related bonuses	3,516	4,705	1,602	6,787
Share-based payment expense	–	80,553	–	–
Pension scheme contributions	227	276	121	169
Total	7,516	90,656	3,518	10,482

Further details of directors' and supervisor's emoluments are included in note 9 to the Historical Financial Information.

30. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments at the end of each of the Relevant Periods are as follows:

Financial assets

As at 31 December 2024	Financial assets at FVTPL	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Financial assets included in prepayments, other receivables and other assets	–	79	79
Financial assets at FVTPL	40,074	–	40,074
Restricted bank deposits	–	8,554	8,554
Cash and cash equivalents	–	68,724	68,724
Total	40,074	77,357	117,431

As at 31 December 2025	Financial assets at FVTPL	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Financial assets included in prepayments, other receivables and other assets	–	447	447
Financial assets at FVTPL	80,247	–	80,247
Restricted bank deposits	–	9,677	9,677
Cash and cash equivalents	–	190,321	190,321
Total	80,247	200,445	280,692

As at 30 June 2026	Financial assets at FVTPL	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Financial assets included in prepayments, other receivables and other assets	–	542	542
Financial assets at FVTPL	85,495	–	85,495
Restricted bank deposits	–	9,677	9,677
Cash and cash equivalents	–	97,525	97,525
Total	85,495	107,744	193,239

Financial liabilities

As at 31 December 2024	Financial assets at FVTPL	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	–	5,749	5,749
Redemption liabilities on equity shares	556,135	–	556,135
Financial liabilities included in other payables and accruals	–	2,270	2,270
Total	556,135	8,019	564,154

As at 31 December 2025	Financial liabilities at FVTPL	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	–	5,247	5,247
Redemption liabilities on equity shares	954,648	–	954,648
Financial liabilities included in other payables and accruals	–	18,284	18,284
Total	954,648	23,531	978,179

As at 30 June 2026	Financial liabilities at FVTPL	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	–	5,694	5,694
Redemption liabilities on equity shares	965,323	–	965,323
Financial liabilities included in other payables and accruals	–	18,101	18,101
Total	965,323	23,795	989,118

31. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, current portion of financial assets included in prepayments, other receivables and other assets, trade payables and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the finance manager.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The Group invests in financial assets at FVTPL, which represent wealth management products issued by banks. The fair values are estimated by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The fair values of the redemption liabilities on equity shares measured at FVTPL are determined using the back-solve method. Further details are set out in note 21 to the Historical Financial Information.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2024:				
Wealth management products, at fair value	–	40,074	–	40,074
As at 31 December 2025:				
Wealth management products, at fair value	–	80,247	–	80,247
As at 30 June 2026:				
Wealth management products, at fair value	–	85,495	–	85,495

Liabilities measured at fair value:

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2024:				
Redemption liabilities on equity shares	–	–	556,135	556,135

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2025:				
Redemption liabilities on equity shares	–	–	954,648	954,648
As at 30 June 2026:				
Redemption liabilities on equity shares	–	–	965,323	965,323

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

Below is summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at the end of each of the Relevant Periods:

		Sensitivity of fair value to the inputs		
Significant unobservable inputs	Sensitivity	31 December 2024	31 December 2025	30 June 2026
		RMB'000 (Decrease)/increase	*RMB'000 (Decrease)/increase*	*RMB'000 (Decrease)/increase*
Risk-free interest rate	1% increase	(8,570)	(6,176)	(4,638)
Risk-free interest rate	1% decrease	9,178	6,439	4,667
DLOM	5% increase	(29,988)	(51,428)	(50,769)
DLOM	5% decrease	29,988	51,428	50,769
Volatility	5% increase	(7,604)	(3,538)	(1,640)
Volatility	5% decrease	8,166	936	(455)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, restricted bank deposits and financial assets at FVTPL and redemption liabilities on equity shares. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk and liquidity risk. The senior management reviews and agrees policies for managing each of these risks and they are summarised below.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The Group's exposure to credit risk arising from cash and cash equivalents and restricted bank deposits is limited and remote because the counterparties are state-owned banks or reputable commercial banks for which the Group considers to have immaterial credit risk.

Management has assessed that during the Relevant Periods, other receivables did not have a significant increase in credit risk since initial recognition. Thus, a 12-month expected credit loss approach that results from possible default events within 12 months of each reporting date is adopted by management.

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the operations and mitigate the effects of fluctuations in cash flows.

The maturity profile of the Group's financial liabilities and lease liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

	31 December 2024		
	On demand or within 1 year	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	5,749	–	5,749
Financial liabilities included in other payables and accruals	2,270	–	2,270
Redemption liabilities on equity shares	593,449	–	593,449
Lease liabilities	1,135	–	1,135
Total	602,603	–	602,603

	31 December 2025		
	On demand or within 1 year	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	5,247	–	5,247
Financial liabilities included in other payables and accruals	17,053	1,231	18,284
Redemption liabilities on equity shares	931,811	–	931,811
Total	954,111	1,231	955,342

	30 June 2026		
	On demand or within 1 year	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	5,694	–	5,694
Financial liabilities included in other payables and accruals	16,380	1,721	18,101
Redemption liabilities on equity shares	963,232	–	963,232
Lease liabilities	1,290	3,166	4,456
Total	986,596	4,887	991,483

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

33. EVENTS AFTER THE REPORTING PERIOD

There are no significant events subsequent to 30 June 2026.

34. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group 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 a property interest held by the Group.

JLL
仲量聯行

Jones Lang LaSalle Corporate Appraisal and Advisory Limited
7/F One Taikoo Place 979 King's Road Hong Kong
tel +852 2846 5000 fax +852 2169 6001
Licence No: C-030171

[Date]

The Board of Directors
Hangzhou Bangshun Pharmaceutical Co., Ltd.
Unit 2, Building 9,
No. 2069 Jinchang Road,
Liangzhu Sub-district, Yuhang District
Hangzhou City
Zhejiang Province
The PRC

Dear Sirs,

In accordance with your instructions to value the a property interest held by "Hangzhou Bangshun Pharmaceutical 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 inspection, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion on the market value of the property interest as at 30 June 2026 (the "**valuation date**").

Our valuation was 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".

In valuing the property interest, we have assumed that it will be developed and completed in accordance with the latest development proposals provided to us by the Group. In arriving at our opinion of value, we have adopted the comparison approach by making reference to land comparable sales evidence as available in the relevant market and have also taken into account the accrued construction cost and professional fees relevant to the stage of construction as at the valuation date and the remainder of the cost and fees expected to be incurred for completing the development. We have relied on the accrued construction cost and professional fees information provided by the Group according to the different stages of construction of the property as at the valuation date, and we did not find any material inconsistency from those of other similar developments.

Comparison approach rests on the wide acceptance of the market transactions as the best indicator and pre-supposes that evidence of relevant transactions in the market place can be extrapolated to similar properties, subject to allowances for variable factors. Given that relevant land comparable sales transactions are available, we have therefore used comparison approach which is in line with the market practice. 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 values 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 published 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 title documents including Real Estate Title Certificates 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 — 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 and that no unexpected cost and delay will be incurred during construction. 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.

Inspection of the property was carried out on 19 August 2026 by Mr. Michael Mai who has more than 6 years' experience in the valuation of properties in the PRC.

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 "ESG and sustainability in commercial property valuation (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

Property interest held under development by the Group in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date
			RMB
An industrial development under construction and located at No. 88 Yunfan Road Shangyu District Shaoxing City Zhejiang Province The PRC	The property is located at No. 88 Yunfan Road near its junction with Jiangzhu Road to its east in Shangyu district. It is about 30 minutes' driving distance to the Shaoxing North Railway Station. The locality is an industrial area with mature and sophisticated infrastructural facilities. The property comprises a parcel of land with a site area of approximately 33,461.00 sq.m., which is being developed into an industrial development as at the valuation date. Portions of the property were under construction (the "CIP") as at the valuation date and are scheduled to be completed in December 2027. As advised by the Group, upon completion, the CIP will have a total planned gross floor area of approximately 26,846.29 sq.m. The construction of the remaining portion of the property with a planned gross floor area of approximately 9,326.30 sq.m. had not been commenced as at the valuation date. The classification, usage and planned gross floor area details of the buildings of the property are set out in note 6. As advised by the Group, the construction cost of the CIP of the property is estimated to be approximately RMB137,300,000, of which approximately RMB63,200,000 had been incurred as at the valuation date. The land use rights of the property have been granted for a term expiring on 14 July 2074 for industrial use.	As at the valuation date, portions of the property were under construction, and the remaining portion of the property was bare land.	85,900,000

Notes:

1. Pursuant to to a State-owned Land Use Rights Grant Contract — No. 3306022024A21313 dated 21 June 2024, the land use rights of the property with a site area of approximately 33,461.00 sq.m. were contracted to be granted to Bangshun Pharmaceutical (Shaoxing) Co., Ltd. (邦順藥業(紹興)有限公司, "Bangshun Shaoxing", a wholly-owned subsidiary of the Company) for industrial use. The land premium was RMB16,570,000.

2. Pursuant to a Construction Land Planning Permit — Di Zi Di No. 3306022024YG0074462, permission towards the planning of the property with a site area of approximately 33,461.00 sq.m. has been granted to Bangshun Shaoxing.

3. Pursuant to a Real Estate Title Certificate (for land) — Zhe (2024) Shao Xing Shi Bu Dong Chan Quan Di No. 0049850, the land use rights of a parcel of land of the property with a site area of approximately 33,461.00 sq.m. have been granted to Bangshun Shaoxing for a term of 50 years expiring on 14 July 2074 for industrial use.

4. Pursuant to a Construction Work Planning Permit — Jian Zi Di No. 3306022025GG0016515 in favour of Bangshun Shaoxing, portions of the property with a gross floor area of approximately 26,846.29 sq.m. has been approved for construction.

5. Pursuant to two Construction Work Commencement Permits — No. 330652202409230101 and 330652202502200101 in favour of Bangshun Shaoxing, permissions by the relevant local authority were given to commence the construction of portions of the property with a total gross floor area of approximately 26,846.29 sq.m.

6. According to the information provided by the Group, the planned gross floor area of the property is set out as below:

Usage	Planned Gross Floor Area
	(sq.m.)
Workshop	23,389.33
Warehouse	5,484.52
Ancillary Office	7,139.45
Ancillary	159.29
Total	**36,172.59**

7. Our valuation has been made on the following basis and analysis:

   In undertaking our valuation, we have identified and analysed various relevant sales evidence of land in the locality which have similar characteristics as the subject land such as nature, use, size, layout and accessibility of the property. The selected comparables are land sale comparables with same usage located in the area close to the property with similar conditions and facilities as the land parcel of the property. The accommodation value of these land sale comparables ranges from RMB609 to RMB662 per sq.m. for industrial use. Appropriate adjustments and analysis are considered to the differences in several aspects including time, location and physical characteristics between the land sale comparables and the land parcel of the property to arrive at the assumed accommodation value for the property. The general basis of adjustment of physical characteristics like size and layout, etc. and location such as accessibility is that if the comparable land is better than the property, a downward adjustment is made. Alternatively, if the comparable land is inferior or less desirable than the property, an upward adjustment is made.

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. Bangshun Shaoxing is legally and validly in possession of the land use rights of the property; and

   b. Bangshun Shaoxing has legally obtained the Construction Land Planning Permit, the Construction Work Planning Permit and the Construction Work Commencement Permits in respect of the property.

9. A summary of major certificates/approvals is shown as follows:

a.	State-owned Land Use Rights Grant Contract	Yes
b.	Real Estate Title Certificate (for land)	Yes
c.	Construction Land Planning Permit	Yes
d.	Construction Work Planning Permit	Yes
e.	Construction Work Commencement Permit	Yes
f.	Construction Work Completion and Inspection Certificate/Table	N/A
g.	Building Ownership Certificate/Real Estate Title Certificate (for building)	N/A

TAXATION OF SECURITY HOLDERS

The taxation of income and capital gains of holders of H Shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of H Shares are resident or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current effective PRC laws and practices, and no predictions are made about changes or adjustments to relevant laws or policies, and no comments or suggestions will be made accordingly. The discussion does not deal with all possible tax consequences relating to an [**REDACTED**] in H Shares, nor does it consider the specific circumstances of any particular [**REDACTED**], some of which may be subject to special regulations. Accordingly, you should consult your own tax adviser regarding the tax consequences of an [**REDACTED**] in H Shares. The discussion is based upon PRC laws and relevant interpretations in effect as at the date of this document, all of which are subject to change and may have retrospective effect. Prospective [**REDACTED**] are urged to consult their financial adviser regarding the PRC and other tax consequences of owning and disposing of H Shares.

PRC TAXATION

Taxation on Dividend

Individual Investors

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》), which was last amended on August 31, 2018 and came into effect on January 1, 2019, and the Regulations on Implementation of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法實施條例》), which were last amended on December 18, 2018 and came into effect on January 1, 2019 (hereinafter collectively referred to as the "IIT Law"), dividends paid by PRC enterprises are subject to individual income tax levied at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from a PRC enterprise in the PRC is normally subject to individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by an applicable tax treaty.

Pursuant to the Notice of the STA on Issues Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 45) (《國家税務總局關於國税發[1993]045號文件廢止後有關個人所得税徵管問題的通知》) issued by the STA on June 28, 2011, which came into effect on the same day, domestic non-foreign-invested enterprises issuing shares in Hong Kong may, when distributing dividends, withhold individual income tax at the rate of 10%. For the individual holders of H Shares receiving dividends who are citizens of countries that have entered into a tax treaty with the PRC with tax rate of lower than 10%, non-foreign-invested enterprises listed in Hong Kong may apply on behalf of such holders for enjoying the lower preferential tax treatments, and, upon approval by the tax authorities, the excessive withholding amount will be refunded. For the individual holders of H Shares receiving dividends who are citizens of countries that have entered into a tax treaty with the PRC with tax rate of higher than 10% but lower than 20%, the non-foreign-invested enterprise is required to withhold the tax at the agreed rate under the treaties, and no application procedures will be necessary. For the individual holders of H Shares receiving dividends who are citizens of countries without taxation treaties with the PRC or are under other situations, the non-foreign-invested enterprise is required to withhold the tax at a rate of 20%.

Enterprise Investors

According to the EIT Law, which was latest amended and implemented on December 29, 2018, and the Implementation Rules for the EIT Law (《中華人民共和國企業所得税法實施條例》) enacted on December 6, 2007 and became effective on 1 January 2008, and amended on December 6, 2024 and became effective on January 20, 2025, a non-resident enterprise is generally subject to a 10% EIT on PRC-sourced income (including dividends received from a PRC resident enterprise that issues shares in Hong Kong), if it does not have an establishment or premise in the PRC or has

an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. The aforesaid income tax payable for non-resident enterprises is deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise.

The Circular of the STA on Issues Relating to the Withholding and Remitting of Corporate Income Tax by PRC Resident Enterprises on Dividends Distributed to Overseas Non-Resident Enterprise Shareholders of H Shares (《國家税務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》), which was issued and implemented by the STA on November 6, 2008, further clarified that a PRC-resident enterprise shall withhold and remit corporate income tax at a unified rate of 10% on the dividends of 2008 and onwards that it distributes to overseas non-resident enterprise shareholders of H Shares. In addition, the Response to Questions on Levying EIT on Dividends Derived by Non-resident Enterprise from Holding Stock such as B Shares (《關於非居民企業取得B股等股票股息徵收企業所得税問題的批覆》, which was issued by the STA and came into effect on July 24, 2009, further provides that any PRC-resident enterprise whose shares are listed on overseas stock exchanges must withhold and remit EIT at a rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprises. Such tax rates may be further modified pursuant to the tax treaty or agreement that China has entered into with a relevant country or region, where applicable.

Pursuant to the Arrangement between the Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》) (the "Arrangement"), which was signed between the STA and the Hong Kong Government on August 21, 2006, the PRC Government may levy taxes on the dividends paid by a PRC company to Hong Kong residents (including resident individual and resident entities) in an amount not exceeding 10% of the total dividends payable by the PRC company unless a Hong Kong resident directly holds 25% or more of the equity interest in the PRC company, then such tax shall not exceed 5% of the total dividends payable by the PRC company. The Fifth Protocol to the Arrangement between the Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《<內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排>第五議定書》), which came into effect on December 6, 2019, added a criteria for the qualification of entitlement to enjoy treaty benefits. Although there may be other provisions under the Arrangement, the treaty benefits under the criteria shall not be granted in the circumstance where relevant gains, after taking into account all relevant facts and conditions, are reasonably deemed to be one of the main purposes for the arrangement or transactions which will bring any direct or indirect benefits under this Arrangement, except when the grant of benefits under such circumstance is consistent with relevant objective and goal under the Arrangement. The application of the dividend clause of tax agreements is subject to the requirements of PRC tax law and regulation, such as the Notice of the STA on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (《國家税務總局關於執行税收協定股息條款有關問題的通知》).

Tax Treaties

Non-resident investors residing in jurisdictions which have entered into treaties or adjustments for the avoidance of double taxation with the PRC might be entitled to a reduction of the PRC EIT imposed on the dividends received from PRC enterprises. The PRC currently has entered into Avoidance of Double Taxation Treaties or Arrangements with a number of countries and regions including Hong Kong, Macau, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States. Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the PRC tax authorities for a refund of the EIT more than the agreed tax rate, and the refund application is subject to approval by the PRC tax authorities.

Taxation on Shares Transfer

VAT and Local Surcharges

Pursuant to the Notice on Fully Implementing the Pilot Reform for the Transition from Business Tax to VAT (《關於全面推開營業税改徵增值税試點的通知》) (hereinafter referred to as "Circular 36"), which was implemented on May 1, 2016 and abrogated/amended in part on July 1, 2017, January 1, 2018, April 1, 2019, December 1, 2024, November 1, 2025 and January 1, 2026, entities and individuals engaged in the services sale in the PRC are subject to VAT and "engaged in the services sale in the PRC" means that the seller or buyer of the taxable services is located in the PRC. Circular 36 also provides that transfer of financial products, including transfer of the ownership of marketable securities, shall be subject to VAT at 6% on the taxable revenue (which is the balance of sales price upon deduction of purchase price), for a general or a foreign VAT taxpayer.

According to the VAT Law of the PRC (《中華人民共和國增值税法》) which was promulgated on December 25, 2024 and came into effect on January 1, 2026, entities and individuals (including individual businesses) engaged in sale of financial products within the territory of the PRC, whether the financial products are issued in China or the seller is an entity or individual in the PRC, are VAT payers and shall pay VAT in accordance with this law.

VAT taxpayers are also subject to urban maintenance and construction tax, education surcharge and local education surcharge (collectively, "local surcharges"), which is usually at 12% of the VAT payable, if any. However, pursuant to the Urban Maintenance and Construction Tax Law of the PRC (《中華人民共和國城市維護建設税法》) which became effective on September 1, 2021, no urban maintenance and construction tax shall be levied on VAT or consumption tax paid for the sale of labor services, other services and intangible assets in China by overseas entities or individuals. Meanwhile, pursuant to Announcement on the Measures for Determining the Tax Basis of Urban Maintenance and Construction Tax and Other Matters (《關於城市維護建設税計税依據確定辦法等事項的公告》), the basis for calculating and levying education surcharges and local education surcharges is consistent with the basis for calculating the urban maintenance and construction tax since September 1, 2021. In conclusion, no urban maintenance and construction tax, education surcharges, and local education surcharges will be levied on VAT paid for the sale of intangible assets in PRC by overseas entities or individuals since September 1, 2021.

Income Tax

Individual Investors

According to the IIT Law, gains on the transfer of equity interests in the PRC resident enterprises are subject to individual income tax at a rate of 20%. Pursuant to the Circular on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得税的通知》) issued by the STA on March 20, 1998, from January 1, 1997, income of individuals from transfer of the shares of listed enterprises continues to be exempted from individual income tax. The STA has not expressly stated whether it will continue to exempt tax on income of individuals from transfer of the shares of listed enterprises in the latest amended IIT Law.

However, on December 31, 2009, the Ministry of Finance, the STA and CSRC jointly issued the Circular on Related Issues on Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的通知》), which came into effect on December 31, 2009, which states that individuals' income from the transfer of listed shares obtained from the public offering of listed companies and transfer market on the Shanghai Stock Exchange and the Shenzhen Stock Exchange shall continue to be exempted from individual income tax, except for the relevant restricted shares as defined in the Supplementary Notice on Issues Concerning the Levy of

Individual Income Tax on Individuals' Income from the Transfer of Restricted Stocks of Listed Companies (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) jointly issued and implemented by the abovementioned departments on November 10, 2010. As of the Latest Practicable Date, no aforesaid provisions have expressly provided that individual income tax shall be levied from non-PRC resident individuals on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges.

Enterprise Investors

In accordance with the EIT Law, a non-resident enterprise is generally subject to corporate income tax at the rate of a 10% on PRC-sourced income, including gains derived from the disposal of equity interests in a PRC resident enterprise, if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. Such income tax payable for non-resident enterprises are deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise. Such tax may be reduced or exempted pursuant to relevant tax treaties or agreements on avoidance of double taxation.

Stamp Duty

Pursuant to the Stamp Duty Law of the PRC (《中華人民共和國印花稅法》) promulgated on June 10, 2021 and came into effect on July 1, 2022, PRC stamp duty only applies to specific taxable document executed or received within the PRC, having legally binding force in the PRC and protected under the PRC laws, thus the requirements of the stamp duty imposed on the transfer of shares of PRC listed companies shall not apply to the acquisition and disposal of H Shares by non-PRC investors outside of the PRC.

Estate Duty

As of the Latest Practicable Date, no estate duty has been levied in the PRC under the PRC laws.

PRINCIPAL TAXATION OF OUR COMPANY IN THE PRC

EIT

Pursuant to the EIT Law promulgated by the NPCSC on March 16, 2007, which became effective from January 1, 2008, and last amended on December 29, 2018, enterprises shall be classified into resident enterprises and non-resident enterprises. The income tax rate of resident enterprises is 25%, while the income tax rate of non-resident enterprises is 20%. According to the EIT Law and the Implementation Regulations for the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) (the "Implementation Regulations for EIT Law") issued by the State Council on December 6, 2007, which became effective from January 1, 2008, and last amended on April 23, 2019, enterprise income tax shall be payable by a resident enterprise for the income derived from or accruing in or outside the PRC.

VAT

The major PRC Law governing VAT are the VAT Law of the PRC (《中華人民共和國增值稅法》) which was promulgated on December 25, 2024 and came into effect on January 1, 2026. Any entities and individuals (including individual businesses) engaged in the sale of goods, services, intangible assets and immovables (hereinafter referred to as the "taxable transactions") and importation of goods within the territory of the PRC are VAT payers and shall pay VAT in accordance with this law. The rate of VAT for sale of goods is 13% unless otherwise specified.

With the VAT reforms in the PRC, the rate of VAT has been changed several times. The MOF and the STA issued the Notice of the MOF and the STA on Adjusting VAT Rates (《財政部、國家税務總局關於調整增值税税率的通知》) on April 4, 2018 to adjust the VAT rates of 17% and 11% applicable to any taxpayer's taxable sale or import of goods to 16% and 10%, respectively. Such adjustment became effective on May 1, 2018. Subsequently, the MOF, the STA and the General Administration of Customs jointly issued the Announcement of the MOF and the STA on Relevant Policies for Deepening the VAT Reform (《財政部、國家税務總局關於深化增值税改革有關政策的公告》) on March 20, 2019 to make further adjustments, which came into effect on April 1, 2019. The VAT rate of 16% applicable to the taxable sale or import of goods shall be adjusted to 13%, and the tax rate of 10% applicable thereto shall be adjusted to 9%.

TAXATION IN HONG KONG

Tax on Dividends

Under the current practice of the Inland Revenue Department of Hong Kong, no tax is payable in Hong Kong in respect of dividends paid by us.

Profit Tax

No profit tax is imposed in Hong Kong in respect of the sale of H shares. However, trading profits from the sale of the H shares by persons carrying on any industry, profession or business in Hong Kong, where such profits are derived from or arise in Hong Kong from such industry, profession or business will be subject to Hong Kong profits tax. Trading profits from sales of the H shares effected on the Hong Kong Stock Exchange will be considered to be derived from or arise in Hong Kong. Liability for Hong Kong profits tax would thus arise in respect of trading profits from sales of H shares effected on the Hong Kong Stock Exchange realized by persons carrying on a business of trading or dealing in securities in Hong Kong. The trading profits from sales of the H shares for certain categories of taxpayers are likely to be regarded as deriving trading profits rather than capital gains (for example, financial institutions, insurance companies and securities dealers) unless these taxpayers can prove that the investment securities are held for long-term investment purposes. Shareholders should take advice from their own professional advisers as to their particular tax position.

Currently, the profit tax rate for the first HK$2 million of assessable profits of an incorporated company is 8.25%, and profits above such amount is subject to a tax rate of 16.5%. The profit tax rate for the first HK$2 million of assessable profits of an unincorporated company is 7.5%, and profits above such amount is subject to a tax rate of 15%.

Stamp Duty

Hong Kong stamp duty, currently charged at the ad valorem rate of 0.10% on the higher of the consideration for or the market value of the H shares, will be payable by the purchaser on every purchase and by the seller on every sale of any Hong Kong securities, including H shares (in other words, a total of 0.20% is currently payable on a typical sale and purchase transaction involving H Shares). In addition, a fixed duty of HK$5.00 is currently payable on any instrument of transfer of H Shares. Where one of the parties is a resident outside Hong Kong and does not pay the ad valorem duty due by it, the duty not paid will be assessed on the instrument of transfer (if any) and will be payable by the transferee. If no stamp duty is paid on or before the due date, a penalty of up to ten times the duty payable may be imposed.

AFRC Transaction Levy

The AFRC Transaction Levy was applicable to all sale and purchase of securities at 0.00015% per side with effect from January 1, 2022, which will be regarded as one of the transaction costs.

Estate Duty

The Revenue (Abolition of Estate Duty) Ordinance 2005 abolished estate duty in respect of deaths occurring on or after February 11, 2006.

PRC FOREIGN EXCHANGE

The principal law governing foreign currency exchange in the PRC is the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》) (the "Foreign Exchange Administration Regulations"). The Foreign Exchange Administration Regulations were enacted by the State Council on January 29, 1996 and implemented on April 1, 1996. On January 14, 1997 and August 5, 2008, the State Council amended the Foreign Exchange Administration Regulations. According to the Foreign Exchange Administration Regulations, international payments in foreign currencies and transfer of foreign currencies under current items shall not be restricted. Foreign currency transactions under the capital account are still subject to limitations and require approvals from, or registration with, the SAFE or its local counterpart and other relevant PRC governmental authorities.

According to the Notice of the State Administration of Foreign Exchange on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) issued by the SAFE and implemented on December 26, 2014, a domestic company shall, within 15 business days from the date of the end of its overseas listing issuance, register the overseas listing with the local Foreign Exchange Administration at the place of its establishment. The proceeds from an overseas listing of a domestic company may be remitted to the domestic account or deposited in an overseas account, but the use of the proceeds shall be consistent with the content of the prospectus or company securities offering documents, circulars of the shareholders, resolutions from the Board of Directors or at the shareholders' meetings, and other disclosure documents.

According to the Circular of SAFE on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (the "SAFE Circular 16") promulgated on June 9, 2016, and revised on December 4, 2023, by the SAFE, the Discretional Foreign Exchange Settlement shall be unified for all the domestic institutions, while the use of foreign exchange incomes of capital projects by domestic institutions shall follow the principles of authenticity and self-use within the business scope of enterprises. The SAFE Circular 16 stipulates that the foreign exchange proceeds under the capital account of and the Renminbi funds obtained from foreign exchange settlement by a domestic institution may be used for expenditures under the current account within its business scope or the expenditures under the capital account permitted by the laws and regulations. The foreign exchange proceeds under the capital account of and the Renminbi funds obtained from foreign exchange settlement by a domestic institution (i) shall not be used directly or indirectly for expenditures beyond the business scope of the domestic institution or as prohibited by the laws and regulations; (ii) unless otherwise provided, shall not be used directly or indirectly for securities investments or other investments (except for wealth management products and structured deposits with risk rating not higher than level 2); (iii) shall not be used for offering loans to non-affiliated enterprises, unless expressly permitted by the business scope; (iv) shall not be used for the purchase of residential real estate not for self-use (except for enterprises engaged in real estate development and real estate leasing).

According to the Circular of SAFE on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) promulgated by the SAFE on April 10, 2020, the reform of facilitating the payments of incomes under the capital projects shall be promoted nationwide. Under the prerequisite of ensuring true and compliant use of funds and complying with the prevailing administrative provisions on use of income from capital projects, enterprises which satisfy the criteria are allowed to use income under the capital account, including capital funds, foreign debt and overseas listing, for domestic payment, without the need to provide proof materials for veracity to the bank beforehand for each transaction.

On December 24, 2025, the PBOC and the SAFE jointly issued the Notice on Issues Concerning the Fund Management for Overseas Listings of Domestic Enterprises (《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》), which took effect on April 1, 2026, to further facilitate domestic enterprises in efficiently raising funds in overseas financial markets. According to the aforementioned Notice, the proceeds from overseas listings, such as funds raised and income from share reductions or transfers, may be repatriated in either foreign currency or Renminbi, and the listing entities participating in the Full Circulation of H shares shall distribute dividends to domestic shareholders domestically in Renminbi. Additionally, the Notice specifies that funds raised from overseas listings and repatriated in foreign currency may be independently converted and used, and listing entities may autonomously choose their approaches to managing exchange rate risks within China. Furthermore, pursuant to the Notice, banks can directly handle the registration for overseas listings by domestic enterprises. Meanwhile, the Notice clarifies that (i) funds raised from overseas listings and proceeds from share reductions or transfers shall, in principle, be remitted back to China; (ii) any remaining funds remitted abroad by shareholders for the purpose of share purchases, or funds from unconsummated transactions, shall be promptly repatriated; (iii) enterprises meeting certain conditions are permitted to retain and use raised funds overseas. Upon the formal implementation of such Notice, the Notice of the State Administration of Foreign Exchange on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) issued by the SAFE was repealed.

This Appendix summarizes certain aspects of PRC laws and regulations which are relevant to the Company's operations and business. Laws and regulations relating to taxation in the PRC are discussed separately in "Appendix IV — Taxation and Foreign Exchange" to this document. The principal objective of this summary is to provide potential [**REDACTED**] with an overview of the principal PRC legal and regulatory provisions applicable to the Company. This summary is not intended to include all the information which may be important to potential [**REDACTED**]. For more details on laws and regulations which are relevant to our business, please refer to the section headed "Regulatory Overview" in this document.

THE PRC LEGAL SYSTEM

The PRC legal system is based on the PRC Constitution (《中華人民共和國憲法》) and is made up of written laws, administrative regulations, local regulations, autonomous regulations, separate regulations, rules and regulations of State Council departments, rules and regulations of local governments, laws of special administrative regions and international treaties of which the PRC government is a signatory, and other regulatory documents. Court judgements do not constitute legally binding precedents, although they may be used for the purposes of judicial reference and guidance.

Pursuant to the PRC Constitution and the Legislation Law (《中華人民共和國立法法》), which was first issued on March 15, 2000 and latest amended by the NPC on March 13, 2023 and became effective on March 15, 2023, the NPC and the SCNPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend basic laws governing State organs, civil, criminal and other matters. The SCNPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend parts of the laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of state administration and has the power to formulate administrative regulations based on the PRC Constitution and laws.

The people's congresses of the provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such regulations do not contravene any provision of the PRC Constitution, laws or administrative regulations. The people's congresses of cities with districts and their respective standing committees may formulate local regulations on matters such as urban and rural construction and administration, ecological civilization construction, historical and cultural protection and grassroots governance based on the specific circumstances and actual needs of such cities, provided that such local regulations do not contravene any provision of the PRC Constitution, laws, administrative regulations and local regulations of such provinces or autonomous regions.

The people's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in the light of the political, economic and cultural characteristics of the nationality (nationalities) in the areas concerned.

The ministries and commissions of the State Council, PBOC, the National Audit Office of the PRC and the subordinate institutions with administrative functions directly under the State Council may formulate rules and regulations within the jurisdiction of their respective departments in accordance with the laws and administrative regulations, and the decisions and orders of the State Council.

The PRC Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations may contravene the PRC Constitution. The PRC laws rank higher than administrative regulations, local regulations and rules. The administrative regulations rank higher than local regulations and rules. The rules enacted by the people's governments of the provinces or autonomous regions rank higher than the rules enacted by the people's governments of the cities with districts and autonomous prefectures within the administrative areas of such provinces and the autonomous regions.

The NPC has the power to alter or annul any inappropriate laws enacted by SCNPC, and to annul any autonomous regulations or separate regulations which have been approved by the SCNPC, but which contravene the PRC Constitution or the PRC Legislation Law. The SCNPC has the power to annul any administrative regulations that contravene the PRC Constitution and laws, to annul any local regulations that contravene the PRC Constitution, laws or administrative regulations, and to annul any autonomous regulations or local regulations which have been approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions or municipalities directly under the Central Government, but which contravene the PRC Constitution and the PRC Legislation Law. The State Council has the power to alter or annul any inappropriate ministerial rules and rules of local governments. The people's congresses of provinces, autonomous regions or municipalities directly under the Central Government have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees. The standing committees of local people's congresses have the power to annul inappropriate rules enacted by the people's governments at the corresponding level. The people's governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people's governments at a lower level.

According to the PRC Constitution and the PRC Legislation Law, the power to interpret laws is vested in the SCNPC. According to the Decision of the SCNPC Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed by the SCNPC and effective on June 10, 1981, the SCNPC shall give interpretation or regulation on issues related to the further clarification or supplement of laws, the Supreme People's Court shall give interpretation on issues related to the specific application of laws and decrees in court trials, the Supreme People's Procuratorate shall give interpretation on issues related to the specific application of laws and decrees in the procuratorial work, the State Council and competent authorities shall give interpretation on issues related to the specific application of laws and decrees in areas unrelated to judicial and procuratorial work. If there are differences in principle in the interpretation of the Supreme People's court and the Supreme People's Procuratorate, they shall be submitted SCNPC for interpretation or decision. The State Council and its ministries and commissions are also vested with the power to give interpretations of the administrative regulations and departmental rules which they have promulgated. At the regional level, the power to interpret regional laws is vested in the regional legislative and administrative authorities which promulgate such laws.

THE PRC JUDICIAL SYSTEM

Pursuant to the PRC Constitution and the PRC Law of Organization of the People's Courts (《中華人民共和國人民法院組織法》) most recently revised on October 26, 2018 by the SCNPC and taking effect on January 1, 2019, the people's courts are classified into the Supreme People's Court, the local people's courts at various local levels, and other special people's courts. The local people's courts are divided into three levels, namely, the primary people's courts, the intermediate people's courts and the higher people's courts. The primary people's courts are further divided into civil, criminal and economic tribunals, to which the structure of the intermediate people's court and other special tribunals is similar. The Supreme People's Court is the highest judicial authority in the PRC. It supervises the administration of justice by the people's courts at all levels. The Supreme

People's Procuratorate is authorized to supervise the judgement and ruling of the people's courts at all levels which have been legally effective, and the people's procuratorate at a higher level is authorized to supervise the judgement and ruling of a people's court at a lower level which have been legally effective.

The people's courts employ a two-tier appellate system. The judgements or rulings of the second instance at a people's court are final. A party may appeal against the judgement or ruling of the first instance of a local people's court. The people's procuratorate may present a protest to the people's court at the next higher level in accordance with the procedures stipulated by the laws. In the absence of any appeal by the parties and any protest by the people's procuratorate within the stipulated period, the judgements or rulings of the people's court are final. Judgements or rulings of the second instance of the intermediate people's courts, the higher people's courts and the Supreme People's Court are final. Judgements or rulings of the first instance of the Supreme People's Court are also final. However, if the Supreme People's Court or a people's court at the next higher level discovers an error in a final and binding judgement or ruling which has taken effect in any people's court at a lower level, or the presiding judge of a people's court finds an error in a final and binding judgement or ruling which has taken effect in the court over which he presides, a retrial of the case may be initiated according to the judicial supervision procedures.

The PRC Civil Procedure Law (《中華人民共和國民事訴訟法》) recently amended on September 1, 2023 by the SCNPC and became effective on January 1, 2024, prescribes the conditions for instituting a civil action, the jurisdiction of the people's courts, the procedures to be followed for conducting a civil action, and the procedures for enforcement of a civil judgement or ruling. All parties to a civil action conducted within the PRC must comply with the PRC Civil Procedure Law. A civil case is generally heard by the court located in the defendant's place of domicile. The court of jurisdiction in respect of a civil action may also be chosen by explicit agreement among the parties, provided that the people's court having jurisdiction should be located at places directly connected with the disputes, such as the plaintiff's or the defendant's place of domicile, the place where the contract is executed or signed or the place where the object of the action is located. However, such choice shall not in any circumstances contravene the provisions on grade jurisdiction and exclusive jurisdiction.

A foreign individual, a person without nationality, a foreign-invested enterprise or a foreign organization that institutes or responds to proceedings in a people's court is given the same litigation rights and obligations as a citizen or legal person of the PRC. Should a foreign court limit the litigation rights of PRC citizens and enterprises, the PRC court shall apply the same limitations to the citizens and enterprises of such foreign country. A foreign individual, a person without nationality, a foreign-invested enterprise or a foreign organization must engage a PRC lawyer if such person needs to engage a lawyer for the purpose of initiating actions or defending against litigations at a PRC court. Under any international treaties to or the principle of reciprocity signed or acceded to by the PRC, a people's court and a foreign court may request each other to act on their behalf to serve documents, conduct investigation, collect evidence and conduct other actions. A PRC court shall not accommodate any request made by a foreign court which will result in the violation of sovereignty, security or public interests of the PRC.

All parties to a civil action shall perform legally effective judgements and rulings. If any party to a civil action refuses to comply with a judgement or ruling made by a people's court or an award made by an arbitration tribunal in the PRC, the other party may apply to the people's court for the enforcement of the same within two years. Suspension or disruption of the time limit for applying for such enforcement shall comply with the provisions of the applicable law concerning the suspension or disruption of the time-barring of actions.

A party seeking to enforce an effective judgement or ruling by a people's court against another party who is not or whose property is not within the PRC may apply to a foreign court with proper jurisdiction for recognition and enforcement of such judgement or ruling. A foreign judgment or ruling may also be recognized and enforced by the people's court according to the PRC enforcement procedures if the PRC has entered into, or acceded to, an international treaty with the relevant foreign country, which provides for such recognition and enforcement, or if the judgment or ruling satisfies the court's examination according to the principle of reciprocity, unless the people's court finds that the recognition or enforcement of such judgment or ruling will result in a violation of the basic legal principles of the PRC, its sovereignty or security, or for reasons of social and public interests.

THE PRC COMPANY LAW, TRAIL MEASURES AND PRC AOA GUIDANCES

A joint stock limited company incorporated in the PRC and seeking for listing on the Stock Exchange is mainly subject to the following laws and regulations in the PRC:

(i) The PRC Company Law which was promulgated on December 29, 2023 and took effect on July 1, 2024;

(ii) The Trail Measures and five relevant guidelines which were promulgated by the CSRC on February 17, 2023 pursuant to the PRC Securities Law and are applicable to the direct and indirect overseas share offering or listing of domestic companies; and

(iii) The PRC AoA Guidances issued by the CSRC on December 16, 1997, which was last amended on March 28, 2025 and became effective on the same date, provides guidance on the articles of association. Accordingly, the contents of the PRC AoA Guidances are set out in the AoA, and the summary of which is set out in the section headed "Appendix VI — Summary of the Articles of Association" of this document.

Set out below is a summary of the major provisions of the PRC Company Law, Trial Measures and PRC AoA Guidelines which are applicable to the Company.

General

According to the Company Law, a joint stock limited company refers to a corporate legal person established in China under the PRC Company Law with its registered capital divided into shares. The liability of such company is limited to the total amount of all assets it owns and the liability of its shareholder is limited to the extent of the shares they subscribed for.

A company must conduct its business in accordance with laws as well as public and commercial ethics. A company may invest in other limited liability companies and joint stock limited companies and its liabilities with respect to such invested companies are limited to the amount invested. Unless otherwise provided by laws, a company cannot be the capital contributor who has the joint liabilities associated with the debts of the invested enterprises.

Incorporation

A joint stock limited company may be incorporated by promotion or subscription. To establish a joint stock limited company, there shall be not less than 1 but not more than 200 promoters, with more than half of whom shall have their domiciles within the PRC.

For companies incorporated by way of promotion, the promoters shall subscribe in writing for the shares required to be subscribed for by them and pay up their capital contributions under the articles of association. Procedures relating to the transfer of titles to non-monetary assets shall be

duly completed if such assets are to be contributed as capital. Promoters who fail to pay up their capital contributions in accordance with the foregoing provisions shall assume default liabilities in accordance with the covenants set out in the promoters' agreements.

The promoters shall preside over and convene an inauguration meeting within 30 days from the date of the full payment of subscription capital. The inauguration meeting shall be formed by the promoters and subscribers. Where the shares issued are not fully subscribed for within the offer period stipulated in the share offering document, or where the promoter fails to convene an inauguration meeting within 30 days of the subscription capital for the shares issued being fully paid up, the subscribers may demand that the promoters refund the subscription capital so paid together with the interest calculated at bank rates of a deposit for the same period. Within 30 days of the conclusion of the inauguration meeting, the board of directors shall apply to the registration authority for registration of the establishment of the company. A company is formally established and has the status of a legal person after the registration with the relevant administration for market regulation has been completed and a business license has been issued.

Share Capital

Under the PRC Company Law, shareholders may make capital contributions in cash, or with non-monetary property that may be valued in money and legally transferred, such as contribution in kind or with an intellectual property rights or land use rights.

Under the Trial Measures, if a domestic company offers shares overseas, it may raise funds and dividend distributions in foreign currency or Renminbi.

Under the PRC Company Law, a joint stock limited company shall maintain a register of shareholders, stating the following matters:

(i) the name and domicile of each shareholder;

(ii) class and number of shares subscribed for by each shareholder;

(iii) the serial number of the shares if the shares are issued in paper form; and

(iv) the date on which each shareholder acquired the shares.

Increase in Share Capital

Under the PRC Company Law, in the case of a joint stock limited company issuing new shares, resolutions shall be passed at the shareholders' general meeting in respect of the class and number of new shares, the issue price of the new shares, the commencement and end dates for the issuance of new shares and the class and number of the new shares proposed to be issued to existing shareholders.

Pursuant to the Trial Measures, to offer shares overseas, the domestic company shall report the application documents for offering and listing to the CSRC for record-filing within 3 business days after submission of the application documents for offering and listing overseas.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the PRC Company Law:

(i) the company shall prepare a balance sheet and an inventory of assets;

(ii) a resolution to reduce the registered capital shall be made by shareholders at the general meeting;

(iii) the company shall notify the creditors within 10 days from the date of the resolution to decrease its registered capital, and publish an announcement within 30 days on the newspaper or on the National Enterprise Credit Information Publicity System;

(iv) the creditors of the company may within the statutory time limit (30 days upon the receipt of such notice or 45 days from the date of such announcement) require the company to settle its debts or provide corresponding guarantees; and

(v) the company shall register the change to the relevant company registration authority in accordance with the laws.

Repurchase of Shares

Under the PRC Company Law, a company shall not purchase its own shares. Except for any following circumstances:

(i) reduction of registered capital;

(ii) merger with other companies that hold shares in the company;

(iii) use of shares for employee stock ownership plan or equity incentives;

(iv) purchasing shares held by shareholders (upon their request) who vote against any resolution proposed in any general meeting of the company on the merger or division of the company;

(v) use of shares for conversion of corporate bonds issued by the company that can be converted into shares; or

(vi) necessity for the purpose of maintaining the value of the company and shareholders' equity.

Where a company purchases its own shares due to the circumstances set out in items (1) and (2) above, it shall be subject to the resolution of the general meeting; where a company acquires its own shares under the circumstances set out in items (3), (5) and (6) above, it shall be subject to the resolution of the board meeting attended by more than two-thirds of the directors in accordance with the provisions of the articles of association or the authorization from the general meeting.

After the company has bought back its own shares, such shares shall be cancelled within 10 days from the date of buy-back in the case of item (1), which is solely for the purpose reduction of its registered capital; such shares shall be transferred or cancelled within 6 months in the case of items (2) and (4); such shares shall not exceed 10% of the total issued shares of the company in the case of items (3), (5) and (6), and shall be transferred or cancelled within 3 years.

Transfer of Shares

Shares held by shareholders may be transferred in accordance with the relevant laws. Pursuant to the PRC Company Law, a shareholder should effect a transfer of his shares on a stock exchange established in accordance with laws or by any other means as required by the State Council. Registered shares may be transferred after the shareholders endorse the back of the share certificates or in any other manner specified by laws or administrative regulations. Following the

transfer, the company shall enter the names and addresses of the transferees into its share register. No changes of registration in the share register described above shall be effected during a period of 20 days prior to convening a shareholders' general meeting or 5 days prior to the record date for the purpose of determining entitlements to dividend distributions. However, if any law provides otherwise for the registration of changes in the register of members of a listed company, such provisions shall prevail.

Under the PRC Company Law, shares of the company issued prior to the public offering of shares may not be transferred within 1 year of the date of the company's listing on a stock exchange. Directors, supervisors and the senior management of a company shall declare to the company their shareholdings in the company and any changes thereof. During their terms of office as determined when they assume the posts, they may transfer no more than 25% of the total number of shares they hold in the company per annum. They shall not transfer the shares they hold within 1 year of the date of the company's listing on a stock exchange, nor within half a year after they leave their positions in the company. The articles of association may set out other restrictive provisions in respect of the transfer of shares in the company held by its directors, supervisors and the senior management.

Shareholders

Under the PRC Company Law and the PRC AoA Guidelines, the rights of a shareholder of ordinary shares of a company include:

(i) to receive dividends and other distributions in proportion to the number of shares held;

(ii) to legally require, convene, preside over, participate in or appoint a shareholder proxy to participate in the general meeting and exercise corresponding rights to speak and vote;

(iii) to supervise the Company's operations, and to put forward proposals or raise inquiries;

(iv) to transfer, give as gift or pledge shares held in accordance with laws, administrative regulations and the articles of association;

(v) to review and copy the company's articles of association, shareholder registers, minutes of shareholder meetings, resolutions of board meetings, and financial accounting reports. Shareholders who meet the prescribed requirements may also review the company's accounting books and accounting vouchers;

(vi) in the event of the termination or liquidation of the company, to participate in the distribution of remaining assets of the company in proportion to the number of shares held;

(vii) with respect to the shareholders who voted against any resolution adopted at any general meetings of the company on the merger or division of the company, to request the company to purchase the shares held; and

(viii) other rights as stipulated by laws, administrative regulations, departmental rules, the listing rules of the stock exchange where the Company's shares are listed or the articles of association.

The obligations of shareholders include the obligation to abide by the company's articles of association, to pay the subscription capital in respect of the shares subscribed for, to be liable for the company's debts and liabilities to the extent of the amount of subscription capital agreed to be paid in respect of the shares taken up by them and any other shareholder obligation specified in the articles of association.

The General Meetings of Shareholders

Under the PRC Company Law, the shareholders' general meeting of a joint stock limited company is made up of all shareholders. The general meeting is the organ of authority of the company, which exercises its powers in accordance with the PRC Company Law. Pursuant to the PRC Company Law and the PRC AoA Guidelines, the general meeting may exercise its powers:

(i) to elect and replace directors, and to determine the remuneration matters of the directors;

(ii) to consider and approve the reports of board;

(iii) to consider and approve the profit distribution plan and loss compensation plan of the company;

(iv) to decide on any increase or reduction of the registered capital of the company;

(v) to decide on the issuing of corporate bonds;

(vi) to decide on merger, division, dissolution, liquidation and change of the form of the company;

(vii) to amend the articles of association;

(viii) to decide on the engagement or dismissal of the accounting firm that undertakes the auditing of the company;

(ix) to consider and approve the guarantees as regulated by the articles of association;

(x) to consider the purchase or disposal of substantial assets of the company with an amount exceeding 30% of the latest audited total assets of the company within a year;

(xi) to consider and approve the changes in usage of proceeds;

(xii) to consider equity incentive plans and employee stock ownership plans; and

(xiii) to consider other matters which shall be decided by the general meeting as provided in laws, administrative regulations or the articles of association.

Under the PRC Company Law, the annual general meetings shall be held once every year. Under any of the following circumstances, the company shall convene an extraordinary general meeting within 2 months from the date of occurrence:

(i) the number of directors is less than the number stipulated in the PRC Company Law or less than 2/3 of the number specified in the articles of association;

(ii) when the unrecovered losses of the company amount to 1/3 of the total amount of its paid-up share capital;

(iii) when request by the shareholders severally or jointly holding more than 10% of the Company's shares;

(iv) when deemed necessary by the board;

(v) as proposed by the board of supervisors; or

(vi) other circumstances stipulated by laws, administrative regulations or the articles of association.

The general meetings shall be convened by the board of directors and presided over by the chairman of the board. Where the chairman of the board fails to or refuses to perform the duties of presiding, the vice chairman of the board shall preside. If the vice chairman of the board fails to or refuses to perform the duties of presiding, a director jointly elected by more than half of the directors shall preside. Where the board of directors fails to or refuses to perform its duty to convene a general meeting, the board of supervisors shall promptly convene and preside over the meeting. If the board of supervisors does not convene and preside over the meeting, shareholders who individually or collectively hold 10% or more of the company's shares for a continuous period of 90 days or more may convene and preside over the meeting themselves.

If shareholders who severally or jointly hold 10% or more of the company's shares request the convening of an extraordinary general meeting, the board of directors or the board of supervisors shall, within 10 days upon the receipt of such request, decide whether to convene the extraordinary general meeting and respond to the shareholders in writing.

Notice of a general meeting shall state the time, venue and matters to be considered at the meeting. All shareholders shall be notified 20 days prior to an annual general meeting, and 15 days prior to an extraordinary general meeting.

Under the PRC Company Law, a shareholder may entrust a proxy to attend a general meeting. The proxy shall present a written power of attorney issued by the shareholder to a company and shall exercise his voting rights within the scope of authorization. There is no specific provision in the PRC Company Law regarding the number of shareholders constituting a quorum in a general meeting.

Under the PRC Company Law, shareholders present at a shareholders' general meeting have one vote for each share they hold, save that shares held by a company are not entitled to any voting rights.

An accumulative voting system may be adopted for the election of directors and supervisors at the general meeting pursuant to the provisions of the articles of association or a resolution of the general meeting. Under the accumulative voting system, each share shall be entitled to the number of votes equivalent to the number of directors or supervisors to be elected at the general meeting, and shareholders may consolidate their votes for one or more directors or supervisors when casting a vote.

Under the PRC Company Law, the passing of any resolution requires affirmative votes of shareholders representing more than half of the voting rights represented by the shareholders who attend the shareholders' general meeting. Matters relating to merger, division or dissolution of a company, increase or reduction of registered capital, change of corporate form or amendments to the articles of association must be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

Directors

Under the PRC Company Law, a joint stock limited company shall have a board of directors which shall have at least 3 members. For a company that has 300 or more employees, the board of directors shall include the staff representative unless the board of supervisors has been established and already included the staff representative supervisor. The term of a director shall be stipulated in the articles of association, provided that no term of office shall last for more than 3 years. A director may serve consecutive terms if re-elected. A director shall continue to perform his/her

duties as a director in accordance with the laws, administrative regulations and the articles of association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of directors results in the number of directors being less than the quorum.

Meetings of the board of directors shall be convened at least twice a year. All directors and supervisors shall be noticed 10 days before the meeting for every meeting. The board exercises the following functions and powers:

(i) to convene the general meetings and report its work to the general meeting of the company;

(ii) to implement the resolutions of the general meeting;

(iii) to determine the business plans and investment plans of the company;

(iv) to formulate the profit distribution and loss recovery plans of the company;

(v) to formulate plans for increasing or decreasing the registered capital of the company, the issuance of bonds;

(vi) to formulate plans for merger, division, dissolution or change of corporate form;

(vii) to determine the establishment of the company's internal management structure;

(viii) to engage or dismiss the company's general manager, and determine their remuneration, rewards and punishments; to engage or dismiss the company's deputy general manager(s) and the financial controller upon the nomination by the general manager, and determine their remuneration, rewards and punishments;

(ix) to formulate the Company's basic management system; and

(x) to formulate proposals for any amendment to the articles of association.

Under the PRC Company Law, a person may not serve as a director of a company if he/she is:

(i) a person without capacity or with limited capacity for civil conduct;

(ii) a person who has been sentenced to criminal punishment for corruption, bribery, infringement of property, misappropriation of property or for damaging the order of the socialist market economy, or who has been deprived of his/her political rights due to criminal offense, where less than 5 years have elapsed since the sentence was served; or where less than 2 years have clasped since the date of expiration of the probationary period if such person is sentenced to probation;

(iii) a person who served as a director, or factory director or manager, and who assumed personal liability for the bankruptcy liquidation of a company or enterprise, where less than 3 years have elapsed since the date of completion of the bankruptcy liquidation of such company or enterprise;

(iv) a person who served as the legal representative of a company or enterprise which had its business license revoked and was ordered to close down due to violation of law, and who assumed personal liability for such violation, where less than 3 years have elapsed since the date of the revocation of business license and closing down of such company or enterprise;

(v) a person who has a relatively large amount of debts which have fallen due but have not been settled and was listed as a dishonest person subject to enforcement by the People's Court; or

(vi) other contents required by the laws, administrative regulations.

Where a company elects or appoints a director to which any of the above circumstances applies, such election or appointment shall be null and void. A director to which any of the above circumstances applies during his/her term of office shall be released of his/her duties by the company.

The chairman of the board shall be elected by more than 1/2 of all the directors of the board. The chairman of the board exercises the following functions and powers:

(i) to preside over the general meetings, and to convene and preside over the board meetings;

(ii) to supervise and inspect the implementation of the resolutions of the board;

(iii) other functions and powers authorized by the board.

Supervisors

Under the PRC Company Law, a joint stock limited company shall have a board of supervisors composed of not less than 3 members. A joint stock limited company may, in accordance with its articles of association, instead of having set up a supervisory board or supervisors, establish an audit committee which comprises directors of the board of directors and exercises the functions and powers of the supervisory board as stipulated in this Law. A joint stock limited company with a smaller scale or fewer shareholders may appoint one supervisor without establishing a supervisory board to exercise the functions and powers prescribed for the supervisory board by the PRC Company Law.

The supervisory committee shall comprise shareholder representatives and an appropriate proportion of the company's staff representatives, of which the proportion of staff representatives shall not be less than 1/3 and the specific proportion shall be stipulated in the articles of association. Staff representatives of the board of supervisors shall be democratically elected by the company's employees at the employee representative assembly, employee general meeting or otherwise. Directors or senior management may not act concurrently as supervisors.

The Supervisory Committee exercises the following powers:

(i) to examine the company's financial affairs;

(ii) to supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated laws, administrative regulations, the articles of association or resolutions of general meetings;

(iii) to demand rectification by a director or senior management when the acts of such persons are harmful to the company's interest;

(iv) to propose the convening of extraordinary general meetings, and to convene and preside over shareholders' general meetings when the board fails to perform the duty of convening and presiding over shareholders' general meetings under the PRC Company Law;

(v) to submit proposals to the general meeting;

(vi) to initiate legal proceedings against directors and senior management in accordance with the PRC Company Law;

(vii) other functions and powers specified in the articles of association.

Senior Management

Pursuant to the PRC Company Law, a company shall have a general manager who shall be appointed or removed by the board of directors. The general manager shall exercise his/her powers in accordance with the company's articles of association or the authorization of the board of directors.

The manager shall be present at meetings of the board of directors.

Pursuant to the PRC Company Law, senior management refers to the general manager, deputy general manager, financial controller, board secretary of a listed company and other personnel as stipulated in the articles of association.

Financing and Accounting

Pursuant to the PRC Company Law, a company shall establish its financial and accounting system, as well as its profit distribution and audit system in accordance with the laws, regulations, normative document, the requirements of relevant authorities of PRC.

A joint stock limited company shall prepare its annual report in the company for shareholders' reference at least 20 days prior to the holding of the annual general meeting. A joint stock limited company that makes public stock offerings shall publish its financial reports.

In distributing the after-tax profit of the current year, the company shall withdraw 10% of the profit as its statutory reserve funds. When the aggregate amount of such funds of the company reaches 50% of its registered capital, further appropriations are not required.

Where the statutory reserve funds of the company are insufficient to make up for the losses of the previous year, the profits of the current year shall be used to make up for such losses before making allocation to its statutory reserve funds in accordance with the preceding paragraph.

After withdrawing the statutory reserve funds from the after-tax profit, the company may, subject to the resolution of the general meeting, withdraw the discretionary reserve funds from the after-tax profit. The remaining after-tax profit shall be distributed to the shareholders in proportion to their respective shareholdings, unless otherwise regulated by the articles of association.

The premium over the nominal value of the shares of a joint stock limited company from the issue of shares and other incomes required by the financial department of the State Council to be treated as the capital reserve fund shall be accounted for as the capital reserve fund of the company.

A company shall not establish any other accounting books except for the statutory ones. No funds of the company shall be deposited in any account opened in the name of any individual.

Appointment and Retirement of Auditors

Pursuant to the PRC AoA Guidances, a company shall engage an accounting firm which complies with the PRC Securities Law to conduct accounting statements audit, net assets verification and other relevant consultancy services. The term of appointment is 1 year, such appointment may be renewed.

Pursuant to the PRC Company Law, the appointment or dismissal of an accounting firm responsible for the company's auditing shall be determined by shareholders at a general meeting or the board of directors or the board of supervisors in accordance with the articles of association. The accounting firm should be allowed to make representations when the general meeting or the board of directors conduct a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal, withholding or falsification of information. Furthermore, the PRC AoA Guidances provides that the audit fee for the accounting firm shall also be determined by shareholders at a general meeting.

Profit Distribution

According to the PRC Company Law, a company shall not distribute profits before losses are covered and the statutory common reserve fund is provided.

Dissolution and Liquidation

Pursuant to the PRC Company Law, in any of the following circumstances, a company shall be dissolved:

(i) the term of business operation set out in the articles of association has expired or other events of dissolution specified in the articles of association have occurred;

(ii) a resolution for dissolution is made by the general meeting;

(iii) such dissolution is necessary due to a merger or division of the Company;

(iv) the business license of the company is revoked, the company is ordered to close or eliminated according to the laws;

(v) the company has experienced material difficulties in operation and management, and the continuous operation would lead to substantial losses to the interests of the shareholders and there are no other solutions to resolve the matters. Shareholders holding more than 10% of the voting right of the company may appeal to the People's Court for dissolution of the company.

The company shall, within 10 days of the occurrence of the circumstances for dissolution set forth in the preceding paragraph, disclose the reasons for the dissolution on the National Enterprise Credit Information Publicity System.

In the circumstances set forth in (i) and (ii) above, and where no property has been distributed to shareholders, the company may carry on its existence by amending the articles of association or resolution of the general meeting.

The amendments to the articles of association pursuant to the preceding paragraph or by resolution of the general meeting shall require approval of more than 2/3 of voting rights of shareholders attending such meeting.

The company shall be liquidated where the company is dissolved pursuant to (i), (ii), (iv) and (v) above. The directors shall be the liquidation obligors of the company and shall form a liquidation committee to conduct liquidation within 15 days from the date of occurrence of such grounds for dissolution to start the liquidation process. The composition of such liquidation committee shall be directors or person(s) designated by the general meeting.

The liquidation committee exercises the following functions and powers during the liquidation period:

(i) to sort out the assets of the company and prepare balance sheets and inventories of assets respectively;

(ii) to notify creditors by notices or announcements;

(iii) to deal with and settle any outstanding businesses of the company;

(iv) to pay outstanding taxes as well as taxes arising in the course of liquidation;

(v) to settle claims and debts;

(vi) to allocate the remaining assets of the company after the repayment of debt; and

(vii) to represent the company in any civil proceedings.

The liquidation committee shall notify the creditors within 10 days from the date of its establishment and publish an announcement within 60 days on the newspaper or on the National Enterprise Credit Information Publicity System. Within 30 days upon the receipt of such notice or within 45 days from the date of such announcement, the creditors shall declare their claims to the liquidation committee.

When declaring the claims, the creditors shall specify the relevant matters about the claims and provide corresponding evidence. The liquidation committee shall register such claims.

The liquidation committee shall not repay any debts to the creditors during the period of declaration of claims.

After sorting out the assets of the company and preparing balance sheets and inventories of assets, the liquidation committee shall formulate a liquidation plan and present to the general meeting or the People's Court for confirmation.

The remaining assets of the company, after repayment of liquidation expenses, staff wages and social insurance expenses and statutory compensation, payment of outstanding taxes and payment of the debts of the company, shall be distributed by the company to the shareholders in proportion to their respective shareholdings.

The company shall continue to exist during the period of liquidation, but shall not commence any business activities unrelated to the liquidation.

If, after sorting out the assets of the company and preparing balance sheets and inventories of assets, the liquidation committee discovers that the assets of the company are insufficient to repay its debts in full, it shall apply to the People's Court for bankruptcy in accordance with the laws.

Once the People's Court has accepted the application of bankruptcy, the liquidation committee shall hand over the liquidation matters to the bankruptcy administrator designated by the People's Court.

Upon completion of the liquidation of the company, the liquidation committee shall prepare a liquidation report and submit such documents to the general meeting or the People's Court for confirmation. The liquidation committee shall, within 30 days from the confirmation of the general meeting or the People's Court, submit the aforementioned documents to the company registration authorities to apply for deregistration of the Company and announce the termination of the company.

Overseas Listing

According to the Trial Measures, a PRC domestic company seeking an overseas listing shall apply to the CSRC in accordance with the administrative filing procedures as required by the Overseas Listing Trial Measures.

THE PRC SECURITIES LAW AND REGULATIONS

In October, 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities related institutions in the PRC and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions governing securities markets, supervising securities companies, regulating public offerings of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities-related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the Securities Committee and the CSRC and reformed the CSRC.

The PRC Securities Law is the first national securities law in China, and the regulatory matters include the issuance and trading of securities, the acquisition of listed companies, information disclosure, obligations and responsibilities of stock exchanges, securities companies and securities regulatory authorities, etc. The PRC Securities Law comprehensively regulates activities in the PRC securities market.

The PRC Securities Law provides that a domestic enterprise must comply with the relevant provisions of the State Council in issuing securities directly or indirectly outside the PRC or listing and trading its securities outside the PRC. Currently, the issue and trading of foreign issued shares are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

The Guidelines for the 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》) issued by the CSRC on November 14, 2019 and revised on August 10, 2023 regulates the list and circulation (hereinafter referred to as "Full Circulation") of listed domestic shares of domestic stock companies (hereinafter referred to as "H share companies") listed on the Hong Kong Stock Exchange. Shareholders of domestic unlisted shares have the flexibility to jointly decide the amount and proportion of shares that will be included in the circulation application. This decision should be reached through mutual consultation, ensuring compliance with relevant laws, regulations and policies governing state-owned asset administration, foreign investment and industry regulation. Meanwhile, H share

companies corresponding to these shares may be authorized to file for "full circulation" with the CSRC. An unlisted domestic joint stock company may file with the CSRC for "full circulation" at the time of its initial public offering and listing overseas.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

The PRC Arbitration Law (《中華人民共和國仲裁法》) was enacted by the SCNPC on August 31, 1994, with its effective amendment on September 1, 2017. The PRC Arbitration Law was last amended on September 12, 2025 and will become effective from March 1, 2026. The PRC Arbitration Law provides that an arbitration committee may, before the promulgation of arbitration regulations by the PRC Arbitration Association, formulate interim arbitration rules in accordance with the PRC Arbitration Law and the Civil Procedure Law of the PRC. Where the parties have agreed to settle disputes by means of arbitration, a people's court will refuse to handle a legal proceeding initiated by one of the parties at such people's court, unless the arbitration agreement is invalid.

Under the PRC Arbitration Law and the PRC Civil Procedure Law, an arbitral award shall be final and binding on the parties involved in the arbitration. If any party fails to comply with the arbitral award, the other party to the award may apply to a people's court for its enforcement.

According to the Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排》) promulgated by the Supreme People's Court on January 24, 2000 and became effective on February 1, 2000, and the Supplementary Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) promulgated by the Supreme People's Court on November 26, 2020 and became effective from the respective dates designated by the Supreme People's Court, awards made by PRC arbitral authorities can be enforced in Hong Kong, and Hong Kong arbitration awards are also enforceable in the PRC.

JUDICIAL JUDGEMENT AND ITS ENFORCEMENT

On January 14, 2019, the Judicial Committee of the Supreme People's Court adopted the New Arrangement, which took effect on January 29, 2024 and seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgements in wider range of civil and commercial matters between Hong Kong and the Chinese Mainland. The Arrangement discontinued the requirement for a choice of court agreement for bilateral recognition and enforcement. The Arrangement further regulates, among others, the scope and particulars of judgements, the procedures and methods of the application for recognition or enforcement, the review of the jurisdiction of the court that issued the original judgement, the circumstances where the recognition and enforcement of judgement shall be refused, and the approaches towards remedies for the reciprocal recognition and enforcement of judgements in civil and commercial matters between the courts in Chinese Mainland and those in the Hong Kong. Upon implementation of this Arrangement, the Arrangement between the Mainland and the Hong Kong Special Administrative Region on Reciprocal Recognition and Enforcement of Judgements of Civil and Commercial Matters under Consensual Jurisdiction (《最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) which was adopted by the Judicial Committee of the Supreme People's Court on June 12, 2006 and took effect on August 1, 2008 has been repealed.

The Articles of Association (the "AoA") is considered and approved by the general meeting of the Company, which shall come into effect and be implemented upon the [**REDACTED**] of the [**REDACTED**] shares of the Company and from the date of its [**REDACTED**] and [**REDACTED**] on HKSE.

GENERAL PROVISIONS

The Company is a joint stock company with perpetual existence.

All assets of the Company shall be divided into shares of equal value. The shareholders shall be liable to the Company to the extent of the shares they subscribed for. The Company shall be liable for its debts to the extent of all of its assets.

From the effective date of the AoA, the AoA shall be a legally binding document which regulates the Company's organization and acts, governs the rights and obligations between the Company and the shareholders, and amongst the shareholders themselves, and shall be a legally binding document governing on the Company, its shareholders, directors and senior management. Pursuant to the AoA, a shareholder may take legal actions against the other shareholders; a shareholder may take legal action against the Company's directors and senior management; a shareholder may take legal action against the Company; and the Company may take legal action against its shareholders, directors and senior management.

SHARES

Issuance of Shares

The shares of the Company shall take the form of share certificates.

The shares of the Company shall be issued in accordance with the principles of openness, fairness and impartiality. Each share of the same class shall carry the same rights. Shares of the same class and in the same issuance shall be issued under the same conditions and at the same price. Any entity or individual shall pay the same price for each share subscribed.

Increase, Reduction and Repurchase of Shares

Capital Increase

The Company may, upon resolution by the general meeting of the Company, adopt the following methods to increase its capital based on its business and development needs and pursuant to the provisions of laws and regulations:

(i) issuance of shares to unspecified objects;

(ii) issuance of shares to specified objects;

(iii) issue of bonus shares to its existing shareholders;

(iv) conversion of capital reserve into share capital; or

(v) other means approved by laws and regulations, the CSRC and the HKSE.

Capital Reduction

The Company may reduce its registered capital. The company shall complete the formalities for reduction of registered capital pursuant to the Company Law and other relevant provisions and the procedures stipulated in the AoA.

Repurchase of Shares

The Company shall not acquire its own shares, except under any of the following circumstances:

(i) reduction of registered capital;

(ii) merger with other companies that hold shares in the Company;

(iii) use of shares for employee stock ownership plan or equity incentives;

(iv) purchasing shares held by shareholders (upon their request) who vote against any resolution proposed in any general meeting of the Company on the merger or division of the Company;

(v) use of shares for conversion of corporate bonds issued by the company that can be converted into shares; or

(vi) necessity for the purpose of maintaining the value of the company and shareholders' equity.

The Company may acquire its own shares through public and centralized trading or other ways specified by the laws, regulations and the securities regulatory authorities.

Where the Company purchases its own shares due to the circumstances set out in items (1) and (2) above, it shall be subject to the resolution of the general meeting of the Company; where the Company acquires its own shares under the circumstances set out in items (3), (5) and (6) above, it shall be subject to the resolution of the Board meeting attended by more than two-thirds of the Directors.

After the Company has bought back its own shares, such shares shall be cancelled within 10 days from the date of buy-back in the case of item (1), which is solely for the purpose reduction of its registered capital; such shares shall be transferred or cancelled within 6 months in the case of items (2) and (4); such shares shall not exceed 10% of the total issued shares of the Company in the case of items (3), (5) and (6), and shall be transferred or cancelled within 3 years.

Transfer of Shares

Unless otherwise stipulated by laws, regulations, normative documents, or the listing rules of the stock exchange where the Company's shares are [**REDACTED**], the company's shares may be freely transferred in accordance with the law and shall not be subject to any lien. Shareholders shall transfer shares through lawfully established stock exchanges or by other means as prescribed by the State Council.

Shares issued by the Company prior to the [**REDACTED**] of shares shall not be transferred within 1 year from the date of [**REDACTED**] of the Company's shares on the stock exchange.

Directors and Senior Management of the Company shall declare to the Company the numbers of the shares of the Company held by them and changes thereof and shall not transfer in a given year during their terms of office determined at the time of their assumption of office more than 25% of the total number of shares of the Company they hold. The aforementioned personnel shall not transfer the shares of the Company held by them within 6 months from their termination of the office.

SHAREHOLDERS AND GENERAL MEETINGS

General Rules of Shareholders

The Company shall establish a register of shareholders based on the certificates provided by the securities registration and clearing institution. The register of shareholders shall be the sufficient evidence of the shareholders' shareholdings in the Company. Shareholders are entitled to the rights and assume obligations as per the class of the shares held by them. Shareholders holding the same class of shares shall be entitled to the same rights and assume the same obligations.

When the Company convenes a general meeting of the Company, distribute dividends, enter into liquidation or engage in other activities that require the confirmation of the shareholders' identities, the Board or the convener of the general meeting shall determine the Record Date, and the shareholders whose names registered on the register of shareholders at closing on the Record Date shall be the shareholders entitled to the relevant interests.

Rights and Obligations of Shareholders

Rights of Shareholders

Shareholders of the Company shall be entitled to the following rights:

(i) to receive dividends and other distributions in proportion to the number of shares held;

(ii) to legally require, convene, preside over, participate in or appoint a shareholder proxy to participate in the general meeting and exercise corresponding rights to speak and vote;

(iii) to supervise the Company's operations, and to put forward proposals or raise inquiries;

(iv) to transfer, give as gift or pledge shares held in accordance with laws, administrative regulations and the AoA;

(v) to receive relevant information in accordance with the AoA;

(vi) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in proportion to the number of shares held;

(vii) with respect to the shareholders who voted against any resolution adopted at any general meetings of the Company on the merger or division of the Company, to request the Company to purchase the shares held; and

(viii) other rights as stipulated by laws, administrative regulations, departmental rules, the listing rules of the stock exchange where the Company's shares are [**REDACTED**] or the AoA.

Where the content of a resolution of the general meeting or the meeting of the Board violates laws or administrative regulations, the shareholders shall be entitled to request the People's Court to hold it invalid.

If the convening procedure or voting method of a general meeting or meeting of the Board violates laws, administrative regulations or the AoA, or if the content of a resolution violates the AoA, the shareholders shall be entitled to request the Peoples's Court to revoke the resolution within 60 days from the date it was made, except for those with only minor defects in the convening procedure or voting method of the Board meetings and those without material impact on resolutions.

Obligations of Shareholders

The shareholders of the Company shall assume the following obligations:

(i) to abide by laws, regulations, normative documents the listing rules of stock exchange and the AoA;

(ii) to pay subscription monies according to the number of shares subscribed and the method of subscription;

(iii) not to withdraw their shares unless required by laws regulations and normative documents;

(iv) not to abuse their shareholders' rights to harm the legitimate interests of the Company or other shareholders; and not to abuse the independent legal person status of the Company and the limited liability of shareholders to harm the legitimate interests of any creditor of the Company; and

(v) any other obligations under laws, regulations, normative documents, the listing rules of the stock exchange where the Company's shares are [**REDACTED**] and the AoA.

Where shareholders of the Company abuse their shareholders' rights and thereby cause losses to the Company or other shareholders, such shareholders shall be liable for compensation in accordance with the law; where shareholders of the Company abuse the independent legal person status of the Company and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts of the Company.

Restrictions on Rights of the Controlling Shareholders

The controlling shareholders and actual controllers of the Company shall comply with the following provisions:

(i) exercising shareholders' rights in accordance with the law, not abusing the controlling right or making use of their connections to damage the legitimate rights and interests of the company or other shareholders;

(ii) strictly performing the declarations and various commitments made, without unauthorized alteration or exemption;

(iii) performing information disclosure obligations strictly in accordance with the relevant provisions, taking the initiative to cooperate with the Company in information disclosure and notifying the Company promptly of material events which have occurred or will occur;

(iv) not occupying the Company's funds in any way;

(v) not compelling, instigating or requesting the Company and its relevant personnel to provide guarantee in violation of laws and regulations;

(vi) not making use of the Company's undisclosed material information to seek gains, not divulging undisclosed material information relating to the Company in any way, and not engaging in insider trading, short-swing trading and market manipulation or other acts in violation of laws and regulations;

(vii) not impairing the legitimate rights and interests of the Company and other shareholders through unfair transactions with related parties, profit distribution, asset restructuring, outbound investment or other means;

(viii) ensuring the integrity of the Company's assets, staff independence, financial independence, organizational independence and business independence, and not affecting the Company's independence in any way; and

(ix) other provisions of laws, administrative regulations, the provisions of the CSRC, the business rules of the Stock Exchanges and the AoA.

General Rules of the General Meeting

The general meeting is composed of all shareholders of the Company, and shall be the organization of authority of the Company and shall exercise the following functions and powers pursuant to the law:

(i) to elect and replace Directors, and to determine the remuneration matters of the Directors;

(ii) to consider and approve the reports of Board;

(iii) to consider and approve the profit distribution plan and loss compensation plan of the Company;

(iv) to decide on any increase or reduction of the registered capital of the Company;

(v) to decide on n the issuing of corporate bonds;

(vi) to decide on merger, division, dissolution, liquidation and change of the form of the Company;

(vii) to amend the AoA;

(viii) to decide on the engagement or dismissal of the accounting firm that undertakes the auditing of the Company;

(ix) to consider and approve the guarantees as regulated by the AoA;

(x) to consider the purchase or disposal of substantial assets of the Company with an amount exceeding 30% of the latest audited total assets of the Company within a year;

(xi) to consider and approve the changes in usage of proceeds;

(xii) to consider equity incentive plans and employee stock ownership plans; and

(xiii) to consider other matters which shall be decided by the general meeting as provided in laws, administrative regulations, the Listing Rules or the AoA.

The general meetings of the Company include annual general meetings and extraordinary general meetings. Annual general meetings shall be held once every year and within 6 months from the end of the preceding fiscal year.

Under any of the following circumstances, the Company shall convene an extraordinary general meeting within 2 months from the date of occurrence:

(i) the number of Directors is less than the number stipulated in the PRC Company Law or less than 2/3 of the number specified in the AoA (6 person);

(ii) when the unrecovered losses of the Company amount to 1/3 of the total amount of its paid-up share capital;

(iii) when request by the shareholders severally or jointly holding more than 10% of the Company's shares (excluding any treasury shares, similarly hereinafter);

(iv) when deemed necessary by the Board;

(v) as proposed by the Audit Committee; or

(vi) other circumstances stipulated by laws, administrative regulations, the Listing Rules or the AoA.

Convening of General Meetings

The general meetings shall be convened by the Board within the prescribed time.

Upon consent by more than half of all the independent non-executive Directors, the independent non-executive Directors shall have the right to propose to the Board to convene an extraordinary general meeting. In response to an proposal by an independent non-executive Director to convene an extraordinary general meeting, the Board shall, in accordance with the provisions of laws, administrative regulations and the AoA, give a written response as to whether or not it agrees to convene an extraordinary general meeting within 10 days upon receipt of such proposal.

Where the Board agrees to convene the extraordinary general meeting, a convening notice will be issued within 5 days after the resolution of the Board is made; where the Board disagrees to convene the extraordinary general meeting, reasons shall be specified and noticed.

Where the Audit Committee proposes to the Board to convene an extraordinary general meeting, such proposal shall be made to the Board in writing. The Board shall, in accordance with the laws, administrative regulations, normative documents, the Listing Rules and the AoA, give a written response as to whether or not it agrees to convene an extraordinary general meeting within 10 days upon receipt of such proposal.

Where the Board agrees to convene the extraordinary general meeting, a convening notice will be issued within 5 days after the resolution of the Board is made. Changes to the original proposal in the notices shall be approved by the Audit Committee.

Where the Board disagrees to convene the extraordinary general meeting, or fails to reply within 10 days upon the receipt of such proposal, the Board will be deemed as unable to perform or fails to perform its duty to convene a general meeting, and the Audit Committee may convene and preside over such meeting on its own.

Where the shareholder(s) severally or jointly holding 10% or more of the voting shares of the Company propose(s) to the Board to convene an extraordinary general meeting, such proposal shall be made to the Board in writing. The Board shall, in accordance with the laws, administrative regulations, normative documents, the Listing Rules and the AoA, give a written response as to whether or not it agrees to convene an extraordinary general meeting within 10 days upon receipt of such proposal.

Where the Board agrees to convene the extraordinary general meeting, a convening notice will be issued within 5 days after the resolution of the Board is made. Changes to the original proposal in the notices shall be approved by relevant shareholder(s).

Where the Board disagrees to convene the extraordinary general meeting, or fails to reply within 10 days upon the receipt of such proposal, the shareholder(s) severally or jointly holding 10% or more of the voting shares of the Company shall propose to the Audit Committee to convene an extraordinary general meeting, such proposal shall be made to the Audit Committee in writing.

Where the Audit Committee agrees to convene the extraordinary general meeting, a convening notice will be issued within 5 days upon the receipt of such proposal. Changes to the original proposal in the notices shall be approved by relevant shareholder(s).

Where the Audit Committee fails to reply within the prescribed time, the Audit Committee will be deemed as fails to convene and preside a general meeting, and such shareholder(s) may convene and preside over such meeting on its/their own.

Where the Audit Committee or shareholder(s) decide(s) to convene the general meeting on its/their own, a notice shall be issued to the Board in writing.

Prior to the formation of the resolutions adopted at such general meeting, the shareholder(s) convening such meeting shall hold at least 10% of voting shares of the Company.

Proposals and Notices of General Meetings

Proposals of General Meetings

The Board, the Audit Committee, and shareholder(s) severally or jointly holding more than 1% of the voting shares of the Company shall have the right to make a proposal to the Company at a general meeting of the Company.

The shareholder(s) severally or jointly holding more than 1% of the voting shares of the Company may make provisional proposals in writing to the convener of the general meeting 10 days prior to such meeting. The convener shall issue a supplemental notice of the general meeting within 2 days upon receipt thereof to announce the contents of such proposals, and submit such proposals to the general meeting for consideration, except where such proposals contravene the provisions of laws, administrative regulations, or the AoA or fall beyond the scope of duties and powers of the general meeting.

Except as stipulated in the preceding paragraph, the convener shall not amend the proposals specified in the notice of the general meeting or add new proposals subsequent to the issue of the notice of the general meeting.

Proposals not set out in the notice of the general meeting or not complying with the AoA shall not be voted on or resolved at the general meeting.

Notices of General Meetings

The convener shall notify the shareholders at least 21 days prior to an annual general meeting, and shall notify the shareholders at least 15 days prior to the date of an extraordinary general meeting.

Holding of General Meetings

All shareholders listed in the register of shareholders on the Record Date or their proxies shall be entitled to attend the general meetings, and exercise their voting rights in accordance with relevant laws, regulations, the Listing Rules and the AoA.

Shareholders with rights to attend and vote on the general meeting may attend such meeting in person or appoint a proxy or proxies (such proxy/proxies don't have to be a shareholder or shareholders of the Company) to attend and vote on his/her behalf.

Where the shareholder is a recognized clearing house where the shares of the Company [**REDACTED**] or its agent, the recognized clearing house may authorize such person or persons as it thinks fit to act as its representative or representatives at any general meeting; provided that, if more than one person is so authorized, the authorization shall specify the number and class of shares in respect of which each such person is so authorized and shall be signed by an authorized officer of the recognized clearing house. such person or persons so authorized may attend a meeting on behalf of the recognized clearing house or its agent (without presenting a share certificate, notarized authorization and/or further evidence for his/her duly authorization) and exercise the same rights as if he/she were an individual shareholder of the Company.

Individual shareholders attending the meeting in person shall present his/her identification card or other valid documents or proof evidencing his/her identity; in the case of attendance by proxies, he/she shall present his/her own valid proof of identity and the proxy forms from the shareholders.

Legal person shareholders shall be represented at the meeting by their legal representative or a proxy appointed by their legal representative. In the case of attendance by the legal representative, he/she shall present his/her own identity card and valid proof of his/her legal representative status; in the case of attendance by proxies, he/she shall present his/her own valid proof of identity and the proxy forms from the legal representative of such legal person shareholders.

Voting and Resolutions at General Meetings

Resolutions of the general meetings shall be divided into ordinary resolutions and special resolutions.

Ordinary resolutions of a general meeting shall be approved by more than one-half of the voting rights held by the shareholders present at the meeting.

Special resolutions of a general meeting shall be approved by more than two-thirds of the voting rights represented by the shareholders present at the meeting.

Shareholders described in this paragraph include proxies thereof.

The following shall be resolved by an ordinary resolution at the general meeting:

(i) work reports of the Board;

(ii) profit distribution plans and loss recovery plans formulated by the Board;

(iii) appointment and removal of the members of the Board, and determination of their remuneration and method of payment;

(iv) the balance sheet, income statement, and other financial statements of the Company;

(v) the appointment, dismissal or non-renewal of the accounting firm, and determination of its remuneration; and

(vi) matters other than those required by the laws, administrative regulations, normative documents, the Listing Rules or the AoA to be adopted by special resolutions.

The following shall be resolved by a special resolution at the general meeting:

(i) the increase in or decrease of the Company's registered capital, and any issuance of any kind of stock, recognized shares and other similar securities;

(ii) the issuance of corporate bonds;

(iii) the division, spin-off, merger, dissolution, liquidation of the Company;

(iv) the amendment of the AoA;

(v) the purchase or disposal of substantial assets by the Company within one year, or guarantees amount exceeding 30% of the latest audited total assets of the Company;

(vi) stock incentive plans;

(vii) repurchase of shares of the Company according to the AoA; and

(viii) any other matters required by the laws, administrative regulations, normative documents, the listing rules of stock exchange where the shares of Company [**REDACTED**] or the AoA, and confirmed by an ordinary resolution at a general meeting that it may have a material impact on the Company and accordingly shall be approved by special resolutions.

The shares of the Company held by itself have no voting rights, and such portion of shares shall not be counted in the total number of voting shares present at the general meeting.

Where matters relating to connected transactions are considered at the general meeting, the connected shareholders shall not be involved in voting, and the voting shares they represent shall not be counted in the total number of valid voting rights; the voting particulars of the non-connected persons shall be fully disclosed in the announcement on the resolution the such general meeting.

THE BOARD

General Rules of the Directors

Directors of the Company shall be natural persons. The following person may not serve as a Director of the Company:

(i) a person without capacity or with limited capacity for civil conduct;

(ii) a person who has been sentenced to criminal punishment for corruption, bribery, infringement of property, misappropriation of property or for damaging the order of the socialist market economy, or who has been deprived of his/her political rights due to criminal offense, where less than 5 years have elapsed since the sentence was served; or where less than 2 years have clasped since the date of expiration of the probationary period if such person is sentenced to probation;

(iii) a person who served as a director, or factory director or manager, and who assumed personal liability for the bankruptcy liquidation of a company or enterprise, where less than 3 years have elapsed since the date of completion of the bankruptcy liquidation of such company or enterprise;

(iv) a person who served as the legal representative of a company or enterprise which had its business license revoked and was ordered to close down due to violation of law, and who assumed personal liability for such violation, where less than 3 years have elapsed since the date of the revocation of business license and closing down of such company or enterprise;

(v) a person who has a relatively large amount of debts which have fallen due but have not been settled and was listed as a dishonest person subject to enforcement by the People's Court; or

(vi) other contents required by the laws, administrative regulations.

Directors shall be elected or replaced at the general meeting and he/she may be dismissed at the general meeting before the expiry of his/her term of office. Directors serve a term of office of 3 years for each session, and may be re-elected and reappointed upon the expiry of his/her term of office, unless otherwise stipulated by the relevant regulations, laws, regulations and the listing rules where the Company's shares are [**REDACTED**] or the AoA. As stipulated in the Listing Rules, any Director (including Director with appointed term of office) shall resign in turn at least once every 3 years.

The term of office of a Director shall commence from the date on which the said Director assumes office to the expiry of the current term of the Board. If the term of office of a Director expires but the re-election is not carried out in a timely manner, the said Director shall continue to serve as a Director pursuant to the laws, administrative regulations, departmental rules and the AoA.

Directors may be concurrently serve as Senior Management, where the total number of Directors holding concurrent Senior Management positions shall not exceed 1/2 of the total number of Directors.

Directors are not required to hold any shares of the Company.

Directors shall comply with the laws, administrative regulations, normative documents, the Listing Rules and the AoA, and bear the following duties to the Company:

(i) the duties of loyalty, where he/she shall take measures to avoid conflicts between personal interests and the interests of the Company, and shall not exploit his/her authority to seek improper gains; and

(ii) the duties of diligence, where he/she shall exercise the reasonable care typically expected of a manager in performing his/her duties, and act in the best interests of the Company.

The Board

The Company shall set up a board of director. The Board consists of 9 Directors, including 3 independent non-executive directors and 1 chairman. The chairman of the Board shall be elected by more than 1/2 of all the Directors of the Board.

The Board exercises the following powers:

(i) to convene the general meetings and report its work to the general meeting of the Company;

(ii) to implement the resolutions of the general meeting;

(iii) to determine the business plans and investment plans of the Company;

(iv) to formulate the profit distribution and loss recovery plans of the Company;

(v) to formulates plans for increasing or decreasing the registered capital of the Company, the issuance of bonds or other securities, as well as the [**REDACTED**] plan;

(vi) to formulate plans for material merger, repurchase of share of the Company, or the merger, division, dissolution and change of form of the Company;

(vii) to decide on such matters as the Company's external investment, acquisition or disposal of assets, pledge of assets, external guarantees, entrusted assets, connected transactions, external donations, etc., to the extent authorized by the AoA and the general meeting;

(viii) to decide on such matters as the Company's investment, acquisition or disposal of assets, financing, connected transactions (excluding transactions between the Company and its affiliates), etc.;

(ix) To determine the establishment of the Company's internal management structure; and

(x) To engage or dismiss the Company's general manager and the Board secretary upon the nomination by the chairman of the Board, and determine their remuneration, rewards and punishments; to engage or dismiss the Company's deputy general manager(s) and the financial controller and etc. upon the nomination by the general manager, and determine their remuneration, rewards and punishments;

(xi) to formulate the Company's basic management system;

(xii) to formulate proposals for any amendment to the AoA;

(xiii) to manage the information disclosure of the Company;

(xiv) to advice to the general meeting on the appointment or replacement of the accounting firm that provides audit services to the Company;

(xv) to listen to the work reports of the general manager and review his/her work;

(xvi) to take charge of matters relating to the ESG, including identifying ESG risks, formulating and reviewing the Company's ESG strategies, objectives (with a frequency of no less than twice per year), and internal controls; and

(xvii) other powers authorized by the laws, administrative regulations, departmental rules, normative documents, the Listing Rules and the AoA or the general meeting.

The chairman of the Board exercises the following functions and powers:

(i) to preside over the general meetings, and to convene and preside over the Board meetings;

(ii) to supervise and inspect the implementation of the resolutions of the Board;

(iii) to sign the important documents and other documents which shall be signed by the legal representative of the Company (including but not limited to the signing of securities issued by the Company); and

(iv) other functions and powers authorized by the Board.

Board meetings shall be held at least 4 times each year (at approximately quarterly interval). Board meetings shall be convened by the chairman of the Board. All of Directors shall be notified at least 14 days prior to a regular Board meeting in writing.

The shareholders representing more than 10% of the Company's voting shares, more than 1/3 of the Directors, the Audit Committee may propose to the convening of a extraordinary meeting. The chairman of the Board shall convene and preside the Board meeting within 10 days upon the receipt of such proposal.

A Board meeting shall be held only when a majority of Directors are present at the meeting, unless otherwise regulated by the AoA. Any resolution of the Board must be approved with affirmative votes of the majority of all Directors, unless otherwise regulated by the AoA.

The resolutions of the Board are voted on a one-person, one-vote basis, where the numbers of votes against equals the number of votes in favor, the chairman of the Board has the right to cast an additional vote.

Board Committees

The Board shall establish the Audit Committee, the Nominations Committee and the Remuneration and Appraisal Committee. Such special committees shall be accountable to the Board and perform their duties in accordance with the AoA and the authorization from the Board. Their proposals shall be submitted to the Board for consideration and resolution. Members of such special committees shall all be Directors, where the independent non-executive Directors shall take the majority. The Board shall be responsible for formulating the working rules of such special committees and regulating the operation of such special committees.

SENIOR MANAGEMENT

The Company shall have 1 general manager, of whom shall be appointed or dismissed by the Board.

The general manager is accountable to the Board and shall exercise the following functions and powers:

(i) to be in charge of the production and operational management of the Company, organize the enforcement of resolutions of the Board and report to the Board on work;

(ii) to organize the implementation of the annual operation plans and investment schemes of the Company;

(iii) to formulate the structure scheme of the internal management department of the Company;

(iv) to formulate the basic management system of the Company;

(v) to formulate the specific rules and regulations of the Company;

(vi) to propose to the Board to the appointment or dismissal of the deputy general manager(s), the financial controller of the Company;

(vii) to determine the appointment or dismissal of other management personnel(s) whose appointment or dismissal shall be decided by the Board according to the AoA; and

(viii) other functions and powers authorized by the AoA or the Board.

The general manager shall attend the Board meeting; where the general manager does not concurrently serve as a Director shall have no voting right on such meeting.

The Company shall have deputy general manager(s), of whom shall be appointed or dismissed by the Board.

The deputy general manager(s) shall be nominated by the general manager, and be appointed or dismissed by the Board; the deputy general manager(s) shall assist the general manager to conduct works of the Company. The deputy general manager(s) is/are led by and accountable to the general manager.

FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

The Company shall establish its financial and accounting system, as well as its profit distribution and audit system in accordance with the laws, regulations, normative document, the requirements of relevant authorities of China and regulations of the laws and listing rules where the Company's shares are [**REDACTED**].

Financial and Accounting System

The annual report of the Company shall be prepared in the Company for shareholders' reference at least 21 days (and shall be no later than 4 months after the end of the previous fiscal year under any circumstances) prior to the holding of the annual general meeting. Any shareholder of the Company shall be entitled to receive the financial reports as this chapter of the AoA reveals.

The Company shall not establish any other accounting books except for the statutory ones. No funds of the Company shall be deposited in any account opened in the name of any individual.

Profit Distribution

In distributing the after-tax profit of the current year, the Company shall withdraw 10% of the profit as its statutory reserve funds. When the aggregate amount of such funds of the Company reaches 50% of its registered capital, further appropriations are not required.

Where the statutory reserve funds of the Company are insufficient to make up for the losses of the previous year, the profits of the current year shall be used to make up for such losses before making allocation to its statutory reserve funds in accordance with the preceding paragraph.

After withdrawing the statutory reserve funds from the after-tax profit, the Company may, subject to the resolution of the general meeting, withdraw the discretionary reserve funds from the after-tax profit. The remaining after-tax profit shall be distributed to the shareholders in proportion to their respective shareholdings, unless otherwise regulated by the AoA.

The shares of the Company held by it are not entitled to any profit distribution.

Internal Audit

The Company implements an internal audit system, where the leadership structure, responsibilities and authorities, staffing, funding assurance, utilization of audit results and accountability mechanisms for internal audit matters.

The internal audit system is accountable to the Board.

Engagement of Accounting Firms

The Company shall engage an accounting firm which complies with the PRC Securities Law and the Listing Rules, etc., to conduct accounting statements audit, net assets verification and other relevant consultancy services. The term of appointment is 1 year dated from the end of this annual general meeting to the end of the next annual general meeting, such appointment may be renewed.

The appointment and dismissal of accounting firm shall be subject to the approval of the general meeting, prior to which the Board shall not appoint any accounting firm. The Audit Committee may propose to the Board relating to the auditing fee of the accounting firm or advice on the confirmation of such fee. Where the Audit Committee identifies any irregularities in the Company's operation, it may, when necessary, engage an accounting firm to assist.

Where the Company dismiss or not to reappoint an accounting firm, it shall give a 15-day-prior notice to such accounting firm. And such accounting firm shall be allowed to state its opinions when the general meeting voting on its dismissal.

NOTICES

The notices of the Company may be served as follows:

(i) by personal delivery;

(ii) by fax;

(iii) by post;

(iv) by email;

(v) by announcement;

(vi) on websites designated by the Company and the stock exchange, in accordance with the laws, regulations, normative documents, the listing rules of stock exchange where the Company's shares are [**REDACTED**] and the AoA;

(vii) by other means agreed by the Company and the notified party in advance, or recognized by the notified upon the receipt of such notice; or

(viii) by other means as specified by the securities regulatory authorities of the place where the Company's shares are [**REDACTED**] or the AoA.

MERGER, DIVISION, CAPITAL INCREASE AND CAPITAL REDUCTION

In the event of a merger, the parties to the merger shall enter into a merger agreement, and prepare balance sheets and inventories of assets. The Company shall notify the creditors within 10 days from the date of the resolution to merge, and publish an announcement within 30 days on the information disclosure media at least 3 times and on the National Enterprise Credit Information Publicity System (國家企業信用信息公示係統).

In the event of a division, the assets of the Company shall be divided. The Company shall prepare balance sheets and inventories of assets. The Company shall notify the creditors within 10 days from the date of the resolution to divide, and publish an announcement within 30 days on the information disclosure media at least 3 times and on the National Enterprise Credit Information Publicity System.

The Company shall prepare balance sheets and inventories of assets when it decrease its registered capital. The Company shall notify the creditors within 10 days from the date of the resolution to decrease its registered capital, and publish an announcement within 30 days on the information disclosure media or on the National Enterprise Credit Information Publicity System. Within 30 days upon the receipt of such notice or within 45 days from the date of such announcement, the creditors are entitled to ask the Company to settle its debts or provide corresponding guarantees.

DISSOLUTION AND LIQUIDATION

In any of the following circumstances, the Company shall be dissolved:

(i) the term of business operation set out in the AoA has expired or other events of dissolution specified in the AoA have occurred;

(ii) a resolution for dissolution is made by the general meeting;

(iii) such dissolution is necessary due to a merger or division of the Company;

(iv) the business license of the Company is revoked, the Company is ordered to close or eliminated according to the laws;

(v) the Company has experienced material difficulties in operation and management, and the continuous operation would lead to substantial losses to the interests of the shareholders and there are no other solutions to resolve the matters. Shareholders holding more than 10% of the voting right of the Company may appeal to the People's Court for dissolution of the Company.

The Company shall, within 10 days of the occurrence of the circumstances for dissolution set forth in the preceding paragraph, disclose the reasons for the dissolution on the National Enterprise Credit Information Publicity System.

In the circumstances set forth in (i) and (ii) above, and where no property has been distributed to shareholders, the Company may carry on its existence by amending the AoA or resolution of the general meeting.

The amendments to the AoA pursuant to the preceding paragraph or by resolution of the general meeting shall require approval of more than 2/3 of voting rights of shareholders attending such meeting.

The Company shall be liquidated where the Company is dissolved pursuant to (i), (ii), (iv) and (v) above. The Directors shall be the liquidation obligors of the Company and shall form a liquidation committee to conduct liquidation within 15 days from the date of occurrence of such grounds for dissolution to start the liquidation process. The composition of such liquidation committee shall be Directors or person(s) designated by the general meeting.

The liquidation committee exercises the following functions and powers during the liquidation period:

(i) to sort out the assets of the Company and prepare balance sheets and inventories of assets respectively;

(ii) to notify creditors by notices or announcements;

(iii) to deal with and settle any outstanding businesses of the Company;

(iv) to pay outstanding taxes as well as taxes arising in the course of liquidation;

(v) to settle claims and debts;

(vi) to allocate the remaining assets of the Company after the repayment of debt; and

(vii) to represent the Company in any civil proceedings.

The liquidation committee shall notify the creditors within 10 days from the date of its establishment and publish an announcement within 60 days on the information disclosure media at least 3 times or on the National Enterprise Credit Information Publicity System. Within 30 days upon the receipt of such notice or within 45 days from the date of such announcement, the creditors shall declare their claims to the liquidation committee.

When declaring the claims, the creditors shall specify the relevant maters about the claims and provide corresponding evidence. The liquidation committee shall register such claims.

The liquidation committee shall not repay any debts to the creditors during the period of declaration of claims.

After sorting out the assets of the Company and preparing balance sheets and inventories of assets, the liquidation committee shall formulate a liquidation plan and present to the general meeting or the People's Court for confirmation.

The remaining assets of the Company, after repayment of liquidation expenses, staff wages and social insurance expenses and statutory compensation, payment of outstanding taxes and payment of the debts of the Company, shall be distributed by the Company to the shareholders in proportion to their respective shareholdings.

The Company shall continue to exist during the period of liquidation, but shall not commence any business activities unrelated to the liquidation.

If, after sorting out the assets of the Company and preparing balance sheets and inventories of assets, the liquidation committee discovers that the assets of the Company are insufficient to repay its debts in full, it shall apply to the People's Court for bankruptcy in accordance with the laws.

Once the People's Court has accepted the application of bankruptcy, the liquidation committee shall hand over the liquidation matters to the bankruptcy administrator designated by the People's Court.

Upon completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report, the income and expenditure statements and financial ledgers during the period of liquidation and, after verified by a Chinese certificated public account, submit such documents to the general meeting or the People's Court for confirmation. The liquidation committee shall,

within 30 days from the confirmation of the general meeting or the People's Court, submit the aforementioned documents to the company registration authorities to apply for deregistration of the Company and announce the termination of the Company.

AMENDMENTS TO THE AOA

The Company shall amend the AoA in any of the following circumstances:

(i) after amendment has been made to the Company Law or relevant laws, administrative regulations, normative documents and the securities regulatory rules of the place where the Company's shares are [**REDACTED**], the contents of the AoA are in conflict with the amended laws, administrative regulations, normative documents and the securities regulatory rules of the place where the Company's shares are [**REDACTED**] (in the circumstances of the aforesaid conflict part of content, the relevant laws, administrative regulations, normative documents shall prevail before the AoA is amended in accordance with the laws);

(ii) changes that the Company have undergone are inconsistent with the records made in the AoA; or

(iii) the general meeting has resolved to amend the AoA.

Where the amendments to the AoA approved by the general meeting are subject to the examination and approval of the competent authorities, such amendments shall be submitted to such authorities for approval.

The Board shall amend the AoA according to the resolution for amendments to the AoA by the general meeting and the approval and suggestion of the competent authorities.

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Establishment of Our Company

Our Company was established as a limited liability company in the PRC on May 22, 2020 and was converted into a joint stock limited company on November 26, 2025. Our Company has established a place of business in Hong Kong at Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong and has been registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on January 8, 2026. Ms. Li Yee Ching (李漪澄女士) has been appointed as our authorized representative for acceptance of service of process and notices in Hong Kong whose correspondence address is the same as our place of business in Hong Kong.

As our Company is established in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in "Appendix VI — Summary of Articles of Association."

2. Changes in the Share Capital of Our Company

Save as disclosed in "History, Development and Corporate Structure," there has been no change in the share capital of our Company within the two years immediately preceding the date of this document.

3. Change in the Share Capital of Our Subsidiaries

A summary of the corporate information and the particular of our subsidiary is set out in the Accountants' Report. There has been no change in the share capital of our subsidiary within the two years preceding the date of this document.

4. Resolutions of Our Shareholders

Pursuant to the resolutions passed at a duly convened general meeting of our Shareholders held on January 5, 2026, our Shareholders resolved that, among others:

(a) the issuance of H Shares with a nominal value of RMB1.00 each and such H Shares being [**REDACTED**] on the Stock Exchange;

(b) the number of H Shares to be issued pursuant to the [**REDACTED**], and the grant to the [**REDACTED**] of the [**REDACTED**] of not more than 15% of the number of H Shares initially available under the [**REDACTED**];

(c) subject to the filing procedure with the CSRC, upon the completion of the [**REDACTED**], [**REDACTED**] Domestic Shares held by existing Shareholders will be converted into H Shares on a one-for-one basis;

(d) subject to the completion of the [**REDACTED**], the grant of a general mandate to our Board to allot, issue and deal with Shares at any time within a period up to the date of the conclusion of the next annual general meeting of the Shareholders or the date on which the Shareholders pass a special resolution to revoke or change such mandate, whichever is earlier, upon such terms and conditions and for such purposes and to such persons as our Board in their absolute discretion deem fit, and to make necessary amendments to the Articles of Association, provided that, the number of Shares to be issued shall not exceed [**REDACTED**]% of the number of the Shares in issue (excluding any H Shares issued pursuant to the [**REDACTED**]) as at the [**REDACTED**];

(e) subject to the completion of the [**REDACTED**], the adoption of the Articles of Association which shall become effective on the [**REDACTED**], and authorization to our Board to amend the Articles of Association to the extent necessary for the purpose of the [**REDACTED**]; and

(f) authorization of our Board or its authorized individual(s) to deal with all matters relating to the [**REDACTED**] and the [**REDACTED**].

5. Restriction on Share Repurchase

For details of the restrictions on share repurchase by our Company, see "Appendix VI — Summary of Articles of Association."

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contract

We [have] entered into the following contract (not being contract entered into in the ordinary course of business) within the two years immediately preceding the date of this document that is or may be material:

(a) the [**REDACTED**].

2. Intellectual Property Rights

(a) Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we considered to be material to our business.

No.	Trademark Design	Registration No.	Expiry Date	Classification	Place of Registration
1 . .	邦顺制药	63002549	December 6, 2032	Class 42	PRC
2 . .		62997944	September 6, 2032	Class 5	PRC
3 . .	BIOSUN PHARMA	63010117	October 27, 2032	Class 42	PRC
4 . .		63005621	September 6, 2032	Class 42	PRC
5 . .	BIOSUN PHARMA	63002500	November 13, 2032	Class 5	PRC
6 . .	顺安明	72303259	December 6, 2033	Class 5	PRC
7 . .	邦恪明	72303262	December 6, 2033	Class 5	PRC
8 . .	邦济瑞	72303263	December 6, 2033	Class 5	PRC
9 . .	邦瑞顺	72303261	December 6, 2033	Class 5	PRC
10 .	邦纤复	72303258	December 6, 2033	Class 5	PRC

No.	Trademark Design	Registration No.	Expiry Date	Classification	Place of Registration
11.	邦济明	72303265	December 6, 2033	Class 5	PRC
12.	邦裕明	72303260	December 6, 2033	Class 5	PRC

(b) Patents

As of the Latest Practicable Date, we had registered the following patents which we considered to be material to our business.

No.	Patent Name	Patent Type	Inventor	Owner	Applicant	Corresponding Core Product or pipeline product	Registration No.	Application Date	Place of Registration
1.	Phenylaminopyrimidine derivatives and their use in preparation of drugs for resisting cancers (苯胺嘧啶衍生物及其在製備抗惡性腫瘤藥物中的用途)	Invention	Yin Jianming; Li Bangliang; Lyu Yubin	Hangzhou Bangshun Pharmaceutical Co., Ltd.	Hangzhou East China Pharmaceutical Group New Drugresearch Institute Co., Ltd.; Yin Jianming	CX510	ZL201510405448.6	July 9, 2015	PRC
2.	Pyrrolopyrimidine five-membered azacyclic derivative and application thereof (吡咯嘧啶五元氮雜環衍生物及其應用)	Invention	Yin Jianming; Lyu Yubin; Li Bangliang	Hangzhou Bangshun Pharmaceutical Co., Ltd.	Hangzhou East China Pharmaceutical Group New Drug Research Institute Co., Ltd.; Yin Jianming	OB756	ZL201710055590.1	January 25, 2017	PRC
3.	Imidazopyridinamine phenyl derivative and use thereof (一種咪唑吡嗪胺苯基衍生物及其用途)	Invention	Yin Jianming; Lyu Yubin; Li Bangliang	Hangzhou Bangshun Pharmaceutical Co., Ltd.	Hangzhou East China Pharmaceutical Group New Drug Research Institute Co., Ltd.; Yin Jianming	CX1440	ZL201710519104.7	June 30, 2017	PRC
4.	Bruton's tyrosine kinase inhibitors (布魯頓酪氨酸激酶抑制劑)	Invention	Liao Xibin; Lyu Yubin	Hangzhou Bangshun Pharmaceutical Co., Ltd.	Hangzhou Bangshun Pharmaceutical Co., Ltd.	CX01	ZL202080009929.4	January 17, 2020	PRC
5.	NLRP3 inhibitors (NLRP3抑制劑)	Invention	Yang Xin; Cui Rong; Zheng Mei; Yin Jianming; Lyu Yubin	Hangzhou Bangshun Pharmaceutical Co., Ltd.	Hangzhou Bangshun Pharmaceutical Co., Ltd.	CX08	ZL202211376729.X	November 4, 2022	PRC
6.	Substituted pyrazolo [1,5-a] pyrimidine compounds and uses thereof (取代的吡唑並[1,5-a]嘧啶化合物及其用途)	Invention	Yang Xin; Cui Rong; Zhang Hualing; Kong Xiangwen; Bao Yuehua; Hu Zuyao	Hangzhou Bangshun Pharmaceutical Co., Ltd.	Hangzhou Bangshun Pharmaceutical Co., Ltd.	ND01	ZL202110844787.X	July 26, 2021	PRC
7.	Pim kinase inhibitor (PIM激酶抑制劑)	Invention	Yang Xin; Cui Rong; Yin Jianming; Zheng Mei; Chen Nanyu; Lyu Yubin	Hangzhou Bangshun Pharmaceutical Co., Ltd.	Hangzhou Bangshun Pharmaceutical Co., Ltd.	CX03	ZL202210996688.8	January 29, 2022	PRC

No.	Patent Name	Patent Type	Inventor	Owner	Applicant	Corresponding Core Product or pipeline product	Registration No.	Application Date	Place of Registration
8 . .	Crystal form of Pyrrolopyrimidine five-membered azacyclic compound (吡咯嘧啶五元氮雜環化合物的晶型)	Invention	Yin Jianming; Chen Nanyu; Hao Wende; Zhuge Dingjuan; Zheng Mei	Hangzhou Bangshun Pharmaceutical Co., Ltd.	Hangzhou Bangshun Pharmaceutical Co., Ltd.	OB756	ZL202111268081.X	October 29, 2021	PRC
9 . .	Pim kinase inhibitor (PIM激酶抑制劑)	Invention	Yang Xin; Cui Rong; Yin Jianming; Zheng Mei; Chen Nanyu; Lyu Yubin	Hangzhou Bangshun Pharmaceutical Co., Ltd.	Hangzhou Bangshun Pharmaceutical Co., Ltd.	CX03	ZL202210112402.5	January 29, 2022	PRC
10 . .	Selective ROCK2 kinase inhibitors (選擇性ROCK2激酶抑制劑)	Invention	Yang Xin; Zhuge Dingjuan; Bao Yuehua; Zheng Mei; Yin Jianming; Lyu Yubin	Hangzhou Bangshun Pharmaceutical Co., Ltd.	Hangzhou Bangshun Pharmaceutical Co., Ltd.	CX02	ZL202210214601.7	March 4, 2022	PRC
11 . .	Anti-siglec15 antibody, preparation method therefor and use thereof (抗Siglec15抗體及其製備方法和用途)	Invention	Li Chaohui; Liu Wenhui; Fang Jie; Wu Min; Liu Wenhui; Lyu Yubin	Hangzhou Bangshun Pharmaceutical Co., Ltd.	Hangzhou Bangshun Pharmaceutical Co., Ltd.	CXS004	ZL202210406286.8	April 18, 2022	PRC
12 . .	Preparation of anti-CD24 antibody and use thereof (抗CD24抗體的製備及其用途)	Invention	Li Chaohui; Liu Wenhui; Xie Zhangming; Wu Min; Fang Jie; Zhang Qian; Fang Hedi; Lyu Yubin	Hangzhou Bangshun Pharmaceutical Co., Ltd.	Hangzhou Bangshun Pharmaceutical Co., Ltd.	CXS008	ZL202310111450.7	February 14, 2023	PRC
13 . .	ALK2 kinase inhibitor (ALK2激酶抑制劑)	Invention	Yang Xin; Cui Rong; Wen Qiaodong; Yin Jianming; Zheng Mei; Lyu Yubin	Hangzhou Bangshun Pharmaceutical Co., Ltd.	Hangzhou Bangshun Pharmaceutical Co., Ltd.	CX04	ZL202310387713.7	April 12, 2023	PRC
14 . .	IRAK kinase inhibitors (IRAK激酶抑制劑)	Invention	Lu Jian; Qing Yali; Huang Xuehui; Ren Yueying; Song Na; Yang Xin; Wen Qiaodong; Zhuge Dingjuan; Zheng Mei; Yin Jianming; Lyu Yubin	Hangzhou Bangshun Pharmaceutical Co., Ltd.	Hangzhou Bangshun Pharmaceutical Co., Ltd.	CX05	ZL202310620527.3	May 30, 2023	PRC
15 .	Imidazopyrazinamine phenyl derivative and use thereof	Invention	Yin Jianming; Lyu Yubin; Li Bangliang	Hangzhou Bangshun Pharmaceutical Co., Ltd	Hangzhou Sanyintai Pharmaceutical Technology Co., Ltd.; Yin Jianming	CX1440	US10640512B2	June 29, 2017	the U.S.

No.	Patent Name	Patent Type	Inventor	Owner	Applicant	Corresponding Core Product or pipeline product	Registration No.	Application Date	Place of Registration
16 .	Pyrrolopyrimidine five-membered azacyclic derivative and application thereof	Invention	Yin Jianming; Lyu Yubin; Li Bangliang	Hangzhou Bangshun Pharmaceutical Co., Ltd.	Hangzhou Huadong Medicine Group Biopharmaceutical Co. Ltd; Yin Jianming	OB756	US10822339B2	January 25, 2017	the U.S.
17 . .	Pyrrolopyrimidine five-membered azacyclic derivative and application thereof	Invention	Yin Jianming; Lyu Yubin; Li Bangliang	Hangzhou Bangshun Pharmaceutical Co., Ltd.	Hangzhou Huadong Medicine Group Biopharmaceutical Co. Ltd; Yin Jianming	OB756	JP6770580B2	January 25, 2017	Japan

(c) Copyright

As of the Latest Practicable Date, we had registered the following copyright which we considered to be material to our business.

No.	Copyright	Registration Number	Type	Registration Date	Place of Registration
1.	Biosun Pharma Logo	國作登字-2022-F-10089442	Artistic	April 27, 2022	PRC

(d) Domain Name

As of the Latest Practicable Date, we had registered the following internet domain name which we considered to be material to our business:

No.	Domain name	Owner	Expiry date
1. . . .	biosunpharma.com	The Company	April 4, 2027

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Particulars of Directors' Service Contracts

We [have] entered into a service contract with each of our Directors which contains provisions in relation to, among others, term of service and termination. The service contracts may be renewed in accordance with our Articles of Association and the applicable rules.

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).

2. Remuneration of Directors

Save as disclosed in "Directors and Senior Management" and "Appendix I — Accountants' Report — II. Notes to the Historical Financial Information — 9," none of our Directors received other remuneration or benefits in kind from our Company during the Track Record Period.

3. Disclosure of Interests

(a) Interests of our Directors and chief executive of the Company

Save as disclosed below, immediately following the completion of the [**REDACTED**] (assuming no exercise of the [**REDACTED**]) and the conversion of the Domestic Shares into H Shares, so far as the Directors are aware, none of the Directors or chief executive of the Company will have any interest and/or short position (as applicable) in the Shares, underlying Shares or debentures of the Company or our associated corporation (within the meaning of Part XV of the SFO) which will be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules to be notified to the Company and the Stock Exchange, once the H Shares are [**REDACTED**] on the Stock Exchange.

(i) Interests in the Shares

Name	Position	Nature of interest	Number and description of Shares held	Approximate percentage of shareholding in the relevant type of Shares	Approximate percentage of shareholding in the total share capital of the Company
Mr. Li Bangliang (李邦良)	Chairman of the Board, executive Director	Interested in the controlled corporation[(1)]	[**REDACTED**] H Shares	[**REDACTED**]%	[**REDACTED**]%
Dr. Lyu Yubin (呂裕斌)	Executive Director, general manager	Interested in the controlled corporation[(2)]	[**REDACTED**] H Shares	[**REDACTED**]%	[**REDACTED**]%
Mr. Li Yuedong (李閱東)	Executive Director, deputy general manager	Interested in the controlled corporation[(3)]	[**REDACTED**] H Shares	[**REDACTED**]%	[**REDACTED**]%

Notes:

(1) As of the Latest Practicable Date, Mr. Li Bangliang owned 99.0% of the equity interest in Hangzhou Wanyuhe and 80.0% of the partnership interest in Hangzhou Sanrui as its general partner. In addition, Mr. Li is the general partner of Hangzhou Liuyintai. Accordingly, Mr. Li Bangliang is deemed to be interested in an aggregate of 15,885,000 Shares held by Hangzhou Wanyuhe, Hangzhou Sanrui and Hangzhou Liuyintai under the SFO.

(2) As of the Latest Practicable Date, Dr. Lyu Yubin owned approximately 67.2% of the equity interest in Hangzhou Jiuyin. Accordingly, Dr. Lyu Yubin is deemed to be interested in the 14,115,000 Shares held by Hangzhou Jiuyin under the SFO.

(3) As of the Latest Practicable Date, Mr. Li Yuedong, as a limited partner, owned 82.02% of the partnership interest in Hangzhou Liuyintai. Accordingly, Mr. Li Yuedong is deemed to be interested in the 2,385,000 Shares held by Hangzhou Liuyintai under the SFO.

Save as disclosed in "Substantial Shareholders" in this document, the Directors are not aware of any other person (other than the Directors or chief executive of the Company) who will, immediately following the completion of the [**REDACTED**] (assuming no exercise of the [**REDACTED**]) and the conversion of the Domestic Shares into H Shares, have an interest and/or short position in the Shares or underlying Shares which would fall to be disclosed to the Company

and the 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 share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group.

4. Agency Fees or [REDACTED] Received

The [**REDACTED**] will receive an [**REDACTED**] in connection with the [**REDACTED**]. See "[**REDACTED**]." Save in connection with the [**REDACTED**], no [**REDACTED**], discounts, brokerages or other special terms have been granted by the Group to any person (including the Directors, promoters and experts referred to in "— D. Other Information — 6. Qualifications of Experts" below) in connection with the issue or sale of any capital or security of the Company or any member of the Group within the two years immediately preceding the date of this document.

Within the two years immediately preceding the date of this document, no [**REDACTED**] has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any shares in or debentures of the Company.

5. Disclaimers

(a) Save as disclosed in "History, Development and Corporate Structure" above, none of our Directors or experts named in "— 6. Qualifications of Experts" in this section is interested in our promotion, or in any assets which have been, within the two years immediately preceding the issue 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;

(b) Save in connection with the [**REDACTED**], 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;

(c) none of our Directors or their respective close associates or our Shareholders which to the knowledge of our Directors own more than 5% of the number of our issued Shares (excluding treasury shares) has any interest in our five largest customers or suppliers during the Track Record Period; and

(d) except that (i) Mr. Li Bangliang is the general partner of Hangzhou Sanrui, and (ii) Dr. Lyu Yubin is a director of Hangzhou Jiuyin, none of our Directors is a director or employee of a company which has an interest or short position in the Shares or underlying Shares of our Company which would fall to be disclosed to our Company pursuant to Divisions 2 and 3 of Part XV of the SFO.

D. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or our subsidiaries.

2. Litigation

As of the Latest Practicable Date, no member of our Group was involved in any litigation, arbitration, administrative proceedings or claims of material importance, and, so far as we are aware, no litigation, arbitration, administrative proceedings or claims of material importance are pending or threatened against any member of our Group.

3. Sole Sponsor

The Sole Sponsor has made an application on behalf of our Company to the Stock Exchange for the [**REDACTED**] of, and permission to [**REDACTED**], the H Shares to be issued pursuant to the [**REDACTED**] and the H Shares to be converted from Domestic Shares, on the Main Board of the Stock Exchange. The Sole Sponsor will receive an aggregate fee of US$0.6 million for acting as sole sponsor for the [**REDACTED**].

The Sole Sponsor satisfies the independence criteria applicable to sponsor set out in Rule 3A.07 of the Listing Rules.

4. Preliminary Expense

The Company did not incur any material preliminary expenses.

5. Promoters

The promoters of the Company are all then 31 shareholders of the Company as of October 18, 2025 before our conversion into a joint stock company with limited liability. Within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the [**REDACTED**] or the related transactions described in this document.

6. Qualifications of Experts

The qualifications of the experts who have given opinions or advice in this document are as follows:

Name	Qualification
China Securities (International) Corporate Finance Company Limited	Licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) of regulated activities as defined under the SFO
Ernst & Young	Certified Public Accountants and Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance
Zhejiang T&C Law Firm	Legal advisor to our Company as to PRC law
Hiways Law Firm	Legal advisor to our Company as to intellectual property law of the PRC
Allbright Law Offices	Legal advisor to our Company as to data compliance law of the PRC
Frost & Sullivan	Independent industry consultant
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	Independent property valuer

7. Consent of Experts

Each of the experts named above has given and has not withdrawn its written consent to the issue of this document with the inclusion of its reports, letters or opinions (as the case may be) and the references to its name included herein in the form and context in which they are included.

As of the Latest Practicable Date, none of the experts named above had any shareholding in any member of our Group or right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

8. Stamp Duty

The sale, purchase and transfer of H Shares will be subject to Hong Kong stamp duty. The current rate charged on each of the seller and purchaser is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

9. Binding Effect

This document shall have the effect, if any application is made pursuant hereto, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance as far as applicable.

10. Bilingual Document

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided by section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

11. Miscellaneous

(a) Within the two years immediately preceding the issue of this document, no share or debenture of any member of our Group has been issued or agreed to be issued or is proposed to be issued for cash or as fully or partly paid up otherwise than in cash.

(b) Within the two years immediately preceding the issue of this document, no share or debenture of any member of our Group is under option or agreed conditionally or unconditionally to be put under option.

(c) There are no founder or management or deferred shares in our Company.

(d) There is no restriction affecting the remittance of profits or repatriation of capital of our Company into Hong Kong from outside Hong Kong.

(e) There is no arrangement under which future dividends are waived or agreed to be waived.

(f) There are no contracts for the hire or hire purchase of plant to or by our Group for a period of over one year which are substantial in relation to our Group's business.

(g) There have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months.

(h) No part of the equity or debt securities of our Company is [**REDACTED**] or [**REDACTED**] in on any stock exchange, and no such [**REDACTED**] or permission to [**REDACTED**] on any stock exchange other than the Stock Exchange is being or is proposed to be sought.

(i) Our Company has no outstanding convertible debt securities or debentures.

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 VII — Statutory and General Information — D. Other Information — 7. Consents of Experts"; and

2. a copy of each of the material contracts referred to in "Appendix VII — Statutory and General Information — B. Further Information about our Business — 1. Summary of Material Contract."

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at **www.hkexnews.hk** and our website at **www.biosunpharma.com** during a period of 14 days from the date of this document:

1. the Articles of Association;

2. the Accountants' Report prepared by Ernst & Young, the text of which is set out in "Appendix I;"

3. the audited consolidated financial statements of the Company for the two years ended December 31, 2025 and the six months ended June 30, 2026;

4. the report prepared by Ernst & Young on the unaudited [**REDACTED**] financial information of the Group, the text of which is set out in "Appendix II;"

5. the material contracts referred to in "Appendix VII — Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contract;"

6. the written consents referred to in "Appendix VII — Statutory and General Information — D. Other Information — 7. Consents of Experts;"

7. the service contracts referred to in "Appendix VII — Statutory and General Information — C. Further Information about the Directors and Substantial Shareholders — 1. Particulars of Directors' Service Contracts;"

8. the PRC legal opinion issued by Zhejiang T&C Law Firm, the PRC Legal Advisor, in respect of, among other things, the general corporate matters and property interests of the Group under PRC law;

9. the legal opinion issued by Hiways Law Firm, our legal advisor as to intellectual property law of the PRC;

10. the legal opinion issued by Allbright Law Offices, our legal advisor as to data compliance law of the PRC;

11. the industry report issued by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., the summary of which is set forth in the section headed "Industry Overview;" and

12. the letter and valuation certificate in relation to the property interest of our Group 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, the PRC Securities Law, the Trial Measures and Guidelines for Articles of Association of Listed Companies issued by the CSRC, together with their unofficial English translations.