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

Application Proof of

ProteLight Pharmaceuticals (Jiangsu) Co., Ltd.
普萊醫藥（江蘇）股份有限公司

(the "**Company**")

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

WARNING

The publication of this Application Proof is required by The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Securities and Futures Commission (the "**Commission**") solely for the purpose of providing information to the public in Hong Kong.

This Application Proof is in draft form. The information contained in it is incomplete and is subject to change which can be material. By viewing this document, you acknowledge, accept and agree with the Company, its sponsor, overall coordinator, advisors or members of the underwriting syndicate that:

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

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

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

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

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

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

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

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

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

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

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

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

IMPORTANT

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

ProteLight Pharmaceuticals (Jiangsu) Co., Ltd.
普萊醫藥（江蘇）股份有限公司

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

[REDACTED]

Number of [REDACTED] under the [REDACTED]	**:**	**[REDACTED] H Shares (subject to the [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED] and the [REDACTED])**
Maximum [REDACTED]	**:**	**HK$[REDACTED] per H Share, plus brokerage of 1.0%, AFRC transaction levy of 0.00015%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	**:**	**RMB[0.50] per H Share**
[REDACTED]	**:**	**[REDACTED]**

***Sole Sponsor,* [REDACTED]**

CITIC SECURITIES

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

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

The **[REDACTED]** is expected to be determined by agreement between the **[REDACTED]**-**[REDACTED]** (for itself and on behalf of the **[REDACTED]**) and our Company on the **[REDACTED]**. The **[REDACTED]** is expected to be on or before **[REDACTED]** (Hong Kong time). The **[REDACTED]** will not be more than HK$**[REDACTED]** per **[REDACTED]** and is currently expected to be not less than HK$**[REDACTED]** per **[REDACTED]**. If, for any reason, the **[REDACTED]** is not agreed by 12:00 noon on **[REDACTED]** (Hong Kong time) between the **[REDACTED]** (for itself and on behalf of the **[REDACTED]**) and our Company, the **[REDACTED]** will not proceed and will lapse.

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

The obligations of the **[REDACTED]** under the **[REDACTED]** are subject to termination by the **[REDACTED]** (for itself and on behalf of the **[REDACTED]**) if certain events occur prior to 8:00 a.m. on the **[REDACTED]**. See "**[REDACTED]** — **[REDACTED]** — **[REDACTED]** — Grounds for Termination" for details of such circumstances.

The **[REDACTED]** have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may not be **[REDACTED]**, sold, pledged or transferred within the United States or to, or for the account or benefit of U.S. persons (as defined in Regulation S), except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities law. The **[REDACTED]** are being **[REDACTED]** and **[REDACTED]** outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act.

[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE[(1)]

[REDACTED]

EXPECTED TIMETABLE[(1)]

[REDACTED]

CONTENTS

IMPORTANT NOTICE TO [REDACTED]

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

You should rely only on the information contained in this document to make your **[REDACTED]** *decision. The* **[REDACTED]** *is made solely on the basis of the information contained and the representations made in this document. We have not authorized anyone to provide you with information that is different from what is contained in this document. Any information or representation not contained nor made in this document must not be relied on by you as having been authorized by the Company, the Sole Sponsor, the* **[REDACTED]**, *the* **[REDACTED]**, *the* **[REDACTED]**, *the* **[REDACTED]**, *the* **[REDACTED]**, *the* **[REDACTED]**, *the* **[REDACTED]**, *any of our or their respective affiliates, directors, officers, employees, advisors, agents or representatives, or any other persons involved in the* **[REDACTED]**.

	Page
Contents	iii
Summary	1
Definitions	15
Glossary of Technical Terms	24
Forward-Looking Statements	32
Risk Factors	33
Waivers and Exemptions	56
Information about this Document and the [REDACTED]	60
Directors and Parties Involved in the [REDACTED]	63
Corporate Information	66
Industry Overview	67
Regulatory Overview	93
History, Development and Corporate Structure	119
Business	141
Financial Information	222
Relationship with Our Single Largest Group of Shareholders	244
Share Capital	248
Substantial Shareholders	251

CONTENTS

Directors and Senior Management 253

Future Plans and Use of [REDACTED] 263

[REDACTED] 267

Structure of the [REDACTED] 277

How to Apply for [REDACTED] 284

Appendix I — Accountants' Report I-1

Appendix II — Unaudited [REDACTED] Financial Information II-1

Appendix III — Property Valuation Report III-1

Appendix IV — Summary of Articles of Association IV-1

Appendix V — Statutory and General Information V-1

Appendix VI — Documents Delivered to the Registrar of Companies and Available on Display VI-1

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 entire document carefully 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 "Risk Factors."* ***In particular, we are a biotechnology company seeking a*** **[REDACTED]** ***on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules on the basis that we are unable to meet the requirements under Rule 8.05 (1), (2) or (3) of the Listing Rules.*** *Our Core Product is the product for the purpose of satisfying the eligibility requirements under Chapter 18A of the Listing Rules and Chapter 2.3 of the Guide. We may continue to incur substantial costs and expenses in relation to the research and development of our Core Product, and our Core Product may not be successfully marketed. You should read that section carefully before you decide to* **[REDACTED]** *in the* **[REDACTED]**.

OVERVIEW

We are an antimicrobial peptide ("**AMP**") therapeutics company established in April 2009, and focus on two core therapeutic areas, namely anti-infectives and metabolic diseases. As of the Latest Practicable Date, we had (i) one Core Product, PL-5 (Peceleganan, 培來加南), a product for the treatment of secondary infections of first-degree or superficial second-degree burn and scald wounds caused by *Staphylococcus epidermidis, Staphylococcus haemolyticus, or Acinetobacter baumannii* ("**Secondary Infection of Burn Wounds**") and diabetic foot infection ("**DFI**"), administered as a topical spray; and (ii) three other drug candidates in our pipeline.

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

Our Core Product, PL-5 Spray (普亦克®), is the first-in-class ("**FIC**") Ganan-class drug that has received new drug application ("**NDA**") approval globally, according to Frost & Sullivan. Leveraging the "Membrane Discrimination Mechanism," a theory our founder first co-proposed in 2006, PL-5 represents a novel mechanism of action, with peptide secondary structure folding to disrupt the integrity of microbial membranes, to address the challenges associated with antibiotic-resistance. In June 2026, our Core Product received the NDA approval from the NMPA for the treatment of secondary infection of burn wounds. With its key advantages of anti-resistance, broad-spectrum and high efficacy, PL-5 offers a breakthrough solution for treating multidrug-resistant infections, and we plan to pursue additional indications for secondary infections in other types of wounds through further clinical trials in China, such as the treatment of DFI, as well as the treatment and prevention of infections in wounds caused by physical trauma. It has been consecutively selected as the National Major Scientific and Technological Special Project for "Significant New Drugs Development" during the Twelfth and the Thirteenth Five-Year Plan Period (國家十二五、十三五"重大新藥創製"科技重大專項).

Our key product, PL-3301, is a thermosensitive peptide gel for the treatment of oropharyngeal candidiasis ("**OPC**"). Our another key product, PL-18, is an AMP drug for the treatment of vulvovaginal candidiasis ("**VVC**"), and may also have applications in treating a range of gynecological infections, including bacterial vaginitis, fungal vaginitis and mixed vaginitis. Both key products are also based on the "Membrane Discrimination Mechanism," aiming to fill clinical gaps in their respective treatment fields.

In addition to the aforementioned anti-infective drugs, we are actively expanding our pipeline into therapeutic areas including metabolic diseases, oncology, and autoimmune disorders, with multiple assets currently at the preclinical stage.

Our preclinical asset PL-MD-333 is an oral FGF19/FGF21 inducer and lipid metabolism modulator, according to Frost & Sullivan. Preclinical studies indicate that PL-MD-333 may reduce adiposity, increase the percentage of lean muscle mass, and demonstrate synergistic effects when used in combination with glucagon-like peptide-1 ("**GLP-1**") receptor agonists such as semaglutide, positioning it as a promising candidate with the potential to transform the treatment paradigm for metabolic diseases.

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

Area	Item	MoA/Target	Indication	Region	Dosage Form	Regulatory Authorities	Preclinical/ IND Enabling	Phase I	Phase II	Phase III or Pivotal	NDA	Sponsor	Source	Current Status/ Next Milestone[8]	Commercial Rights
Anti-infection	PL-5 Peceleganan[1] ★	Membrane Discrimination Mechanism	Secondary infection of burn wounds	China	Spray	NMPA						The Group	Self-developed	NDA Approved in June 2026	正大天晴 CHIATAI TIANQING[2] Chinese Mainland (Chia Tai Tianqing) ex-Chinese Mainland (the Group)
			IWGDF Grade II diabetic foot infection	US	Spray	FDA[3]						The Group	Self-developed	Phase II initiated in January 2024; To complete Phase II by September 2028	
	PL-3301 ☆	Membrane Discrimination Mechanism	Oropharyngeal candidiasis infection	China	Thermo-sensitive gel	NMPA						The Group	Self-developed	To initiate Phase II by September 2026	To be developed independently
				US		FDA						The Group	Self-developed	IND Approval in June 2024[4]	To be licensed-out
			Pulmonary infection	China/US	Inhalant	NMPA/FDA						The Group	Self-developed	To submit IND by December 2027	To be developed independently
	PL-18 ☆	Membrane Discrimination Mechanism	Vulvovaginal candidiasis	China	Suppository ↓ Gel[5]	NMPA						The Group	Self-developed	Phase Ib/II for suppository completed in October 2025; To initiate Phase II for gel by March 2027, subject to regulatory review of our supplementary submission	To be developed independently
				US	Suppository	FDA						The Group	Self-developed	Phase II Approval in October 2024[6]	To be licensed-out
Metabolism	PL-MD-333[7]	FGF19/FGF21 (small molecule; peptidomimetic)	Obesity	China/US	Capsule	NMPA/FDA						The Group	Self-developed	To submit IND by March 2027	To be developed independently in Chinese Mainland, to be licensed-out in ex-Chinese Mainland

Note: ★Core Product ☆Key Product Directly to Phase II clinical trial

IWGDF refers to the International Working Group on the Diabetic Foot; MASH refers to metabolic dysfunction-associated steatohepatitis; NMPA refers to the National Medical Products Administration of the PRC; FDA refers to the U.S. Food and Drug Administration; FGF19/FGF21 refers to fibroblast growth factor 19 and fibroblast growth factor 21; PARP-1 refers to poly(ADP-ribose) polymerase 1.

(1) All of our candidate products were independently developed by us, and with respect to the Core Product, PL-5, the University of Colorado licensed to us only the patent rights relating to the underlying compound formula, rather than transferring a complete drug asset. Our founder, Dr. Chen, is one of the principal inventors of the underlying antimicrobial peptide molecule of PL-5, which was developed based on the results of his postdoctoral research project. The transformation from a compound formula into a candidate drug asset primarily depended on our independently completed druggability development, process optimization, preclinical studies, and subsequent clinical development. The University of Colorado and the other co-inventors were not involved in this process. Accordingly, it would not be appropriate to regard PL-5 as a drug asset acquired through a typical in-licensing or acquisition arrangement. For further details, see "Business — Our Collaborations and Licensing Arrangements — Licensing arrangements with the University of Colorado."

(2) In December 2022, we entered into an exclusive commercial cooperation agreement with Chia Tai Tianqing regarding the rights and interests of PL-5 in Chinese Mainland. For further details, please see "Business — Our Collaborations and Licensing Arrangements — Exclusive Commercial Cooperation Agreement with Chia Tai Tianqing."

(3) In March 2022, after reviewing the data generated from our Phase I and Phase II clinical trials conducted in China, together with other relevant submission materials, the FDA raised no objection to PL-5 proceeding directly to a Phase II clinical trial. The FDA's no-objection position was based on its review of the relevant clinical data and other submission materials, and was not subject to any preconditions that we were required to satisfy before commencing the Phase II clinical trial.

(4) In June 2024, we received an approval from the FDA authorizing us to initiate a Phase I clinical trial for PL-3301.

(5) Based on the results of the Phase Ib/II clinical trial, a twice-daily dosing regimen is planned for the subsequent clinical development of PL-18. However, the excipient levels in the suppository formulation are not suitable for twice-daily administration. Animal efficacy studies demonstrated that twice-daily administration of PL-18 gel showed antifungal efficacy comparable to that of the positive control. Accordingly, the formulation is proposed to be changed from a suppository to a gel to support twice-daily administration. For further details regarding the clinical trial results and our communications with the CDE, please see "— Summary of Clinical Trial Results" and "— Material Communications with Competent Authorities," respectively, under "Business — Our Products and Pipeline — PL-18 (α-Helical Antimicrobial Peptide), Our Key Product."

(6) In October 2024, after reviewing the data generated from our Phase I clinical trials conducted in China and Australia, together with other relevant submission materials, the FDA raised no objection to PL-18 proceeding directly to a Phase II clinical trial. The FDA's no-objection position was based on its review of the relevant clinical data and other submission materials, and was not subject to any preconditions that were required to satisfy before commencing the Phase II clinical trial.

(7) All product candidates shown in this pipeline chart are currently under development as monotherapies, except for PL-MD-333, which has also shown the potential for combination treatment with semaglutide.

(8) "Clinical trial completion" generally refers to the date on which the last subject completes the final protocol-specified visit or procedure in the relevant clinical trial, commonly understood as last patient out, last subject last visit or last participant last visit, with reference to ClinicalTrials.gov, the ICH E3 guideline and ChiCTR clinical trial registration practice.

Currently, our product pipeline is progressing steadily. PL-5 has received NDA approval from the National Medical Products Administration ("**NMPA**") as a Class 1 innovative drug on June 17, 2026, and we are in the process of conducting a Phase II clinical trial for PL-5 in the U.S. PL-3301 and PL-18 are now in clinical development, while multiple preclinical assets are advancing under their respective development plans. Moving forward, we will remain committed to focusing on core technology upgrades and clinical translation of our pipeline. We will continue to deepen our presence in the global peptide therapeutics field through differentiated strategy, aiming to provide more clinically meaningful treatment solutions for patients worldwide.

OUR PIPELINE

As of the Latest Practicable Date, we have developed four drug candidates, including one Core Product and two key products, across infectious diseases, metabolic diseases and autoimmune disorders. These candidates target indications including secondary infection of burn wounds, DFI, VVC, OPC, pulmonary infection and obesity.

Our pipeline comprises (i) three clinical-stage candidates, including (a) PL-5, our Core Product, an α-helical antimicrobial peptide spray for the treatment of secondary infection of burn wounds and DFI, (b) PL-3301, an α-helical antimicrobial peptide oral thermosensitive gel and inhalant for the treatment of OPC and pulmonary infection and (c) PL-18, an α-helical antimicrobial peptide suppository and gel for the treatment of VVC, and (ii) one selected preclinical candidate, namely PL-MD-333, an oral small molecule FGF19/FGF21 inducer and lipid metabolism modulator for the treatment of obesity.

Clinical Development Milestones

For PL-5, (i) in China, for the treatment of secondary infection of burn wounds, (a) we obtained IND approval from the NMPA in May 2016; (b) we subsequently conducted a Phase Ia clinical trial (September 2016 to March 2017), a Phase Ib clinical trial (June 2017 to December 2017), a Phase IIa clinical trial (July 2018 to September 2019), a Phase IIb clinical trial (July 2020 to May 2021), a Phase IIIa clinical trial (August 2021 to July 2022), and a Phase IIIb clinical trial (June 2023 to August 2024); and (c) after completing these clinical trials, we submitted the NDA for PL-5 to the NMPA in December 2024, and then received NDA approval from the NMPA as a Class 1 innovative drug in June 2026; (ii) in the U.S., for the treatment of DFI, (a) the FDA allowed us in March 2022 to proceed directly to a Phase II clinical trial without requiring a prior U.S. Phase I clinical trial; and (b) we initiated the Phase II clinical trial in January 2024, with completion expected by the third quarter of 2028.

For PL-3301, (i) for the treatment of OPC, (a) in China, we obtained IND approvals from the NMPA in July 2025, subsequently completed a Phase Ia clinical trial from October 2025 to March 2026, and a Phase Ib clinical trial from May 2026 to July 2026; we expect to initiate a Phase II clinical trial in September 2026; and (b) in the U.S., we obtained IND approval from the FDA in June 2024; and (ii) for the pulmonary infection indication, preclinical development is ongoing as of the Latest Practicable Date, and we currently expect to submit the IND applications to the NMPA and/or the FDA by December 2027.

For PL-18, for the treatment of VVC, (i) in China, we (a) obtained IND approvals for suppository formulation in January 2023, subsequently completed a Phase I clinical trial from March 2023 to July 2023 and a Phase Ib/II clinical trial from September 2023 to October 2025; and (ii) expect to initiate a Phase II clinical trial for gel formulation by March 2027, subject to regulatory approval; (ii) in the U.S., based on early-phase clinical data generated in Australia and China, including data from a Phase I clinical trial conducted in Australia from June 2022 to March 2024, we obtained approval for suppository formulation from the FDA in October 2024 to commence a Phase II clinical trial.

Addressable Market and Competitive Landscape

PL-5 (Secondary Wound Infection in China). According to Frost & Sullivan, (i) the China market size was USD0.9 billion in 2025 and is expected to reach USD1.1 billion in 2030; (ii) the incidence in China was 18.9 million in 2025 and is expected to increase to 20.3 million in 2030; and (iii) as of the Latest Practicable Date, PL-5 is the only AMP drug approved in China specifically for an indication within the broader category of secondary wound infections.

PL-5 (Secondary Infection of Burn Wounds). According to Frost & Sullivan, (i) the global market size was approximately USD2.2 billion in 2025 and is expected to reach USD2.4 billion by 2030; (ii) the global incidence was approximately 28.6 million in 2025 and is expected to increase to 29.0 million by 2030.

PL-5 (DFI). According to Frost & Sullivan, (i) the global market size was approximately USD3.1 billion in 2025 and is expected to reach USD3.4 billion by 2030; (ii) the global incidence was approximately 32.5 million in 2025 and is expected to increase to 36.0 million by 2030; and (iii) as of the Latest Practicable Date, (a) the FDA has approved only two drugs, which were not specifically developed for DFI; and (b) the global clinical pipeline for DFI remains limited, with only two clinical-stage candidates identified worldwide (TP-102 and PL-5), both in Phase II development.

PL-3301 (OPC). According to Frost & Sullivan, (i) the global market size was approximately USD4.1 billion in 2025 and is expected to reach USD4.6 billion by 2030; (ii) the prevalence was approximately 580.9 million globally in 2025 and is expected to reach 622.5 million by 2030; and (iii) as of the Latest Practicable Date, (a) three antifungal originator drugs have been approved for the treatment of OPC in each of the United States and China; and (b) no clinical-stage pipeline candidates have been identified overseas with OPC, and only one active pipeline candidate (PL-3301) has been identified in China.

PL-3301 (Pulmonary Infection). According to Frost & Sullivan, pulmonary infection is not typically analyzed as a standalone market in industry practice, and market analysis is generally conducted based on specific disease categories. Community-acquired pneumonia ("**CAP**") is one of the most common and well-defined types of pulmonary infection and therefore serves as a meaningful reference market for pulmonary infection. On such basis, (i) the global CAP market size was approximately USD14.8 billion in 2025 and is expected to reach USD22.9 billion by 2030; (ii) in 2025, the incidence of CAP was approximately 65.7 million globally, and is expected to increase to 74.4 million globally by 2030; and (iii) as of the Latest Practicable Date, (a) no approved originator peptide-based anti-infective inhalation drugs have been indicated for CAP in both China and the U.S.; and (b) no such product candidates have been identified globally.

PL-18 (VVC). According to Frost & Sullivan, (i) the global market size was approximately USD5.6 billion in 2025 and is expected to reach USD6.1 billion by 2030; (ii) the prevalence was approximately 470.2 million globally in 2025 and is expected to reach 494.2 million by 2030; and (iii) as of the Latest Practicable Date, (a) four antifungal originator drugs have been approved for the treatment of VVC in each of the United States and China; and (b) two clinical-stage pipeline candidates have been identified overseas (BGY-1601 and PL-18) and three active pipeline candidates have been identified in China (WXSH0102, PL-18 and GLS-W1100).

OUR COMPETITIVE STRENGTHS

We believe the following strengths have contributed to our success and differentiate us from our competitors: (i) multiple peptide-based therapeutics in the field of anti-infective therapy; (ii) a differentiated product pipeline across multiple therapeutic areas with significant clinical needs, aiming to overcome the limitations of traditional therapies; (iii) independently developed core technology platforms, enhancing innovation competitiveness, empowering advancements across diverse therapeutic fields; (iv) advanced production capabilities enabling efficient transition from innovation to commercialization; and (v) management team with rich industry experience and specialized scientific expertise.

OUR STRATEGIES

We intend to capitalize on our competitive strengths by pursuing the following strategies: (i) accelerate global clinical advancement and commercialization of core pipeline; (ii) deepen technology platform iteration and enrich pipeline portfolio; (iii) complete full production chain integration and strengthen manufacturing capabilities; and (iv) deepen global strategic partnerships and maximize commercial value.

RESEARCH AND DEVELOPMENT

Research and development supports our ability to foster innovation, advance pipeline assets, and maintain a competitive edge in the global pharmaceutical market. We conduct research and development activities primarily through our in-house scientific and development teams, supplemented by CDMOs, CROs and SMOs engaged from time to time to support preclinical research and clinical trials.

We have been primarily engaged in research and development for the purpose of developing our Core Product, and have continued such research and development efforts throughout the Track Record Period. In 2024 and 2025, and the six months ended June 30, 2025 and 2026, our research and development expenses accounted for 71.5%, 60.9%, 65.3% and 50.4% of our total operating expenses (defined as the sum of research and development expenses, selling and distribution expenses and administrative expenses), and research and development expenses for our Core Product accounted for 52.5%, 31.5%, 35.6% and 33.4% of our research and development expenses, respectively. With respect to the research and development expenses incurred for the Core Product, we recorded RMB42.4 million, RMB18.0 million, RMB9.1 million and RMB8.2 million in 2024 and 2025, and the six months ended June 30, 2025 and 2026, respectively.

In-house R&D Team

As of the Latest Practicable Date, we have established a dedicated in-house R&D team of 36 members with an average of more than eight years of industry experience and more than 86.0% of our R&D team members held master's or above degrees. Our R&D team consists of experienced scientists with strong expertise and extensive development experience in, backed by years of work in drug development, medical practice and strategic planning. For more details, please see "Business — Research and Development — In-house R&D Team."

Collaboration with CROs and SMOs

In addition to our in-house R&D activities, we also collaborate with reputable CROs and SMOs to support our research and clinical trials under our close oversight and management.

We select CROs and SMOs based on professional qualifications, relevant research experience, service quality, efficiency, industry reputation, and costs. We typically enter into a master service agreement with CROs and SMOs under which we execute a separate work order which define the scope of work, sample size, procedures, deliverables, timelines, and payment terms for each preclinical or clinical research project. CROs are required to comply with all applicable laws and regulations and adhere to our established protocols, ensuring the accuracy and authenticity of clinical trial results. To maintain data integrity and regulatory compliance, we also exercise oversight of our CROs and SMOs partners. This includes regular progress meetings, execution reviews, and periodic audits, ensuring adherence to our protocols and regulatory requirements. Our proactive management approach reinforces the quality and reliability of data generated from our trials, supporting the advancement of our pipeline and strengthening our overall clinical development strategy.

Collaboration with CDMOs

In order to support the research, development, and clinical trials of our drug candidates, we procured raw material, namely peptide APIs, from external CDMOs. During the Track Record Period, we cooperated with two, three and two CDMOs in 2024, 2025 and the six months ended June 30, 2026, respectively, with corresponding expenses of approximately RMB2.9 million, RMB3.5 million and RMB3.0 million.

Collaboration with Clinical Trial Sites and PIs

We normally select NMPA-approved hospitals and enter into agreements to conduct clinical trials strictly following GCP-standard protocols that have been reviewed and approved. Participating institutions collect data and prepare case reports in exchange for scheduled payments. Furthermore, we also collaborate with reputable PIs who oversee trial implementation, provide valuable clinical feedback, and introduce our drug candidates at academic and industry conferences.

OUR COLLABORATIONS AND LICENSING ARRANGEMENTS

Licensing arrangements with the University of Colorado

All the key technologies in relation to our Core Product and other product candidates were developed by us in-house, and substantially all the IP rights in relation to our Core Product and other product candidates were granted by the relevant regulatory authorities to, and are currently owned by, us. However, the "Membrane Discrimination Mechanism" was co-proposed by our founder, Dr. Chen, when he was conducting his postdoctoral research at the University of Colorado (the "University") and Dr. Robert Hodges (who was Dr. Chen's mentor at the University), and the underlying antimicrobial peptide molecule of PL-5 was co-developed by Dr. Chen and Dr. Robert Hodges, as principal inventors, together with the three other co-inventors. Therefore, following the University's policies regarding discoveries and inventions, the initial compound patents in relation to such antimicrobial peptide were owned by the University.

In May 2007 and December 2021, we entered into two separate exclusive license agreements with the Regents of the University of Colorado, which granted us exclusive, royalty bearing licenses to make, use, import, offer to sell or sell any product or render any services or process based on such compound patents in Greater China and the U.S., respectively, for all fields of uses. No joint steering committee or other similar joint decision-making mechanism was established pursuant to such license agreements. The University only retains the right to practice the relevant patents for its own internal research and educational purposes, and did not have any control over the R&D, clinical development and commercialization of products independently developed by us based on the patents.

After obtaining the compound patent in the PRC, we have independently conducted a series of research and development, including developing all the specific sequence- related formulation patents used in PL-5 in-house and conducting all the clinical trials for PL-5 in the PRC and in the U.S. The NDA in relation to PL-5 in the PRC was submitted only under our name, and we are expected to be the sole Marketing Authorization Holder (MAH) of PL-5.

Exclusive Commercial Cooperation Agreement with Chia Tai Tianqing

In December 2022, we entered into an Exclusive Commercial Cooperation Agreement with Chia Tai Tianqing for the sales of our PL-5, granting it exclusive commercialization rights for PL-5 in Chinese Mainland, with service fees. Pursuant to the Agreement, Chia Tai Tianqing will also take responsibility for the marketing events for PL-5.

For more details, please see "Business — Our Collaborations and Licensing Arrangements"

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) 71 issued patents in China, (ii) two issued patent and one licensed-in patent in the U.S., (iii) three issued patents in other jurisdictions, including Japan and Europe, and (iv) 27 pending patent applications, including 16 in China, two in the U.S., one under the Patent Cooperation Treaty (PCT) which has not entered into national phases, and eight in other jurisdictions.

In December 2025, a Chinese patent we licensed from the University covering the underlying antimicrobial peptide compound of our Core Product expired, and a U.S. patent we licensed from the University covering the same compound is expected to expire in October 2028. Despite the expiration (and expected expiration) of these patents, we believe we have established a robust and effective defensive moat for our Core Product. As of the Latest Practicable Date, with respect to our Core Product, PL-5, we owned five patents in China, and one patent in Japan, covering the specific sequence-related formulation used in PL-5. These patents have all been granted directly to us, and will remain valid until 2041. As confirmed by our IP Counsel, patent portfolio covers almost all the possible principal topical routes of administration of PL-5, including spray (suitable for large-area or pain-sensitive wounds), cream (suitable for superficial infected wounds), gel (suitable for infected wounds with slough that require maintenance of a moist environment), topical solution/liquid (suitable for wound irrigation and wet dressing applications), and lyophilized formulations (suitable for scenarios requiring a reconstituted antimicrobial solution with high concentration and high activity for complex wounds or drug-resistant infections). We believe that this multi-dosage-form coverage enables us to address different wound types and clinical use scenarios, and forms an effective barrier to deter

competition from generic drugs. In addition to the above-mentioned issued patents, as of the Latest Practicable Date, we also had four pending patent applications in relation to PL-5, including one in China, one in the U.S., and two in other jurisdictions. Please see "Business — Intellectual Properties" for more details about our patent portfolio and the other measures we adopted to protect our IP rights.

MANUFACTURING

We have established manufacturing capabilities to support the early-stage clinical development of our selected drug candidates. Our manufacturing facility in Jiangyin, Wuxi City, Jiangsu Province has a gross floor area of approximately 12,000 sq.m. As of the Latest Practicable Date, we maintained (i) production facilities for our Core Product, namely PL-5, and we are able to start massive production of our drug candidate, namely PL-5, once it commercialized; and (ii) three production lines for our daily-care products. Going forward, we may plan to further scale up our in-house manufacturing capacity by setting up additional manufacturing facilities in China, so as to accommodate the growing demand for our drug candidates once commercialized. For details, please see "Business — CMC and Manufacturing — Our CMC activities and capabilities."

COMPETITION

As of the Latest Practicable Date, only a limited number of peptide-based anti-infective drugs have been approved by the FDA and the NMPA, and most of such approvals were granted in earlier years. In China, there were only eight clinical-stage peptide-based anti-infective drug candidates under development, and the competitive landscape in this field remains highly concentrated and sparsely populated. For more information on the competitive landscape of our drug candidates, please see "Business — Competition."

COMMERCIALIZATION

Since our establishment, we have always been primarily focused on the research and development of innovative pharmaceutical products. As of the Latest Practicable Date, we had not established a large in-house sales and marketing team yet, and our limited commercialization efforts during the Track Record Period were primarily in relation to the sale of our daily-care products, which has never been, and will not be, our core business.

We expect that we will continue to be primarily focused on research and development. Instead of expending extensive resources on establishing a large sales and marketing team within a short timeframe, we plan to cooperate with leading industry players. Following such strategy, we entered into the exclusive commercial cooperation agreement with Chia Tai Tianqing, in anticipation of the upcoming commercialization of PL-5 in China. For details, please see "Business — Our Collaborations and Licensing Arrangements — Exclusive Commercial Cooperation Agreement with Chia Tai Tianqing."

SALES AND MARKETING

During the Track Record Period, we sold daily-care products directly or through distributors. Our daily-care products are a professional-grade topical solution designed for antibacterial, antifungal, and mosquito bites. We sell daily-care products to distributors, which then distribute such products in China. We benefit from our distributors' established distribution channels and local resources, which enable us to save costs and increase the effectiveness of launching and selling our daily-care products in our target markets within a short period of time. We either have a seller-buyer relationship or a consignment sales relationship with our distributors. We also directly sell daily-care products to consumers in China through e-commerce channels and have established our online channels, primarily through the opening of online stores on Tmall, JD.com, Douyin, Pinduoduo and other e-commerce platforms in China.

OUR CUSTOMERS AND SUPPLIERS

Our core pharmaceuticals have not yet been launched, nor have we generated any revenue from patent licensing. Our current customer base primarily consists of customers for daily-care products. In 2024, 2025 and the six months ended June 30, 2026, revenue generated from our five largest customers for daily-care products in each year/period amounted to RMB1.9 million, RMB1.1 million and RMB0.4 million, representing 36.9%, 32.9% and 20.2% of our total revenue for the respective years/period.

Revenue generated from our single largest customer for each year/period amounted to RMB0.6 million, RMB0.4 million and RMB0.2 million, representing 11.5%, 13.5% and 10.8% of our total revenue for the respective year/period.

During the Track Record Period, our suppliers primarily consisted of CROs, SMOs, and suppliers of R&D materials. Purchases from our five largest suppliers in 2024, 2025 and the six months ended June 30, 2026 were RMB43.7 million, RMB22.0 million and RMB14.1 million, respectively, representing 54.7%, 45.9% and 52.7% of our total purchases for the respective year/period. Purchases from our single largest supplier in 2024, 2025 and the six months ended June 30, 2026 were RMB21.5 million, RMB16.0 million and RMB6.1 million, respectively, representing 27.0%, 33.3% and 22.6% of our total purchases for the respective year/period.

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 HKFRSs.

Summary Data of Consolidated Statements of Profit or Loss

The following table sets forth summary data from our consolidated statements of profit or loss for the years/period indicated:

	Year Ended December 31,		Six Months Ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Revenue	5,194	3,332	1,428	2,192
Cost of sales	**(3,020)**	**(2,024)**	**(840)**	**(1,142)**
Gross profit	2,174	1,308	588	1,050
Other income and gains	11,627	14,193	2,135	3,047
Research and development expenses	(80,725)	(57,215)	(25,713)	(24,412)
Administrative expenses	(26,253)	(32,126)	(10,863)	(21,448)
Selling and distribution expenses	(5,876)	(4,607)	(2,799)	(2,540)
Finance costs	(58,432)	(62,463)	(29,307)	(40,135)
Impairment losses on financial assets, net	(297)	(510)	(341)	(784)
Other expenses	(555)	(144)	(13)	(18)
LOSS BEFORE TAX	**(158,337)**	**(141,564)**	**(66,313)**	**(85,240)**
LOSS FOR THE YEAR/PERIOD	**(158,337)**	**(141,564)**	**(66,313)**	**(85,240)**
Attributable to:				
Owners of the parent	**(158,337)**	**(141,564)**	**(66,313)**	**(85,240)**

We recorded net loss of RMB158.3 million, RMB141.6 million, RMB66.3 million and RMB85.2 million in 2024 and 2025, and the six months ended June 30, 2025 and 2026, respectively. The decrease of net loss from 2024 to 2025 was primarily due to the decrease in research and development expenses in 2025, as our Core Product PL-5 received acceptance notice for application of its NDA in China in December 2024. Our net loss increased from RMB66.3 million in the six months ended June 30, 2025 to RMB85.2 million in the six months ended June 30, 2026, primarily due to the increase in finance cost in the six months ended June 30, 2026, as the interest on redemption liabilities on equity interests increased in the same period.

We expect an increase in forecast net loss in 2026, primarily because we expect to incur increasing research and development expenses as we continue to conduct and expand our clinical development programs and advance the research and development of pipeline product candidates.

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.

	Year Ended December 31,		Six Months Ended June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Total non-current assets	**178,300**	**142,808**	**157,800**
Total current assets	**54,701**	**256,142**	**125,319**
Total non-current liabilities	**3,166**	**3,120**	**2,498**
Total current liabilities	**817,734**	**1,131,045**	**1,099,480**
NET CURRENT LIABILITIES	**(763,033)**	**(874,903)**	**(974,161)**
NET LIABILITIES	**(587,899)**	**(735,215)**	**(818,859)**

We had net current liabilities as of December 31, 2024, December 31, 2025 and June 30, 2026. Our net current liabilities increased from RMB763.0 million as of December 31, 2024 to RMB874.9 million as of December 31, 2025, primarily attributable to an increase in current liabilities. Our net current liabilities increased from RMB874.9 million as of December 31, 2025 to RMB974.2 million as of June 30, 2026, primarily attributable to the decrease in cash and cash equivalents. Our current liabilities increased from RMB817.7 million as of December 31, 2024 to RMB1,131.0 million as of December 31, 2025, primarily due to an increase in redemption liabilities on equity interest. Our current liabilities decreased from RMB1,131.0 million as of December 31, 2025 to RMB1,099.5 million as of June 30, 2026, primarily due to the decrease of interest bearing bank borrowings and other payables and accruals.

Our net liabilities increased from RMB587.9 million as of December 31, 2024 to RMB735.2 million as of December 31, 2025 and further increased to RMB818.9 million as of June 30, 2026, primarily attributable to our net loss of RMB141.6 million in 2025 and net loss of RMB 85.2 million in the six months ended June 30, 2026. We expect to achieve a positive net asset position upon completion of the **[REDACTED]**, after which convertible redemption liabilities on equity interest will be re-designated from liabilities to equity, and taking into consideration the **[REDACTED]** from the **[REDACTED]**.

For details of our financial position, please see "Financial Information — Discussion of Certain Key Items of Consolidated Statements of Financial Position."

Summary Data from Consolidated Statements of Cash Flows

The following table sets forth our cash flows for the years/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 used in operating activities	(92,880)	(73,013)	(36,600)	(40,819)
Net cash generated from/(used in) from investing activities	63,987	(138,671)	9,984	86,361
Net cash generated from/(used in) financing activities	37,957	242,497	18,451	(74,766)
Net increase/(decrease) in cash and cash equivalents	9,064	30,813	(8,165)	(29,224)
Cash and cash equivalents at the beginning of the year/period	23,114	31,738	31,738	63,091
Effect of foreign exchange rate changes, net	(440)	540	36	183
Cash and cash equivalents at the end of year/period	**31,738**	**63,091**	**23,609**	**34,050**

In 2024, our net cash used in operating activities was RMB92.9 million. Our loss before tax was RMB158.3 million for the same year. The difference between our loss before tax and our net cash used in operating activities for the period was primarily attributable to (i) certain non-cash or non-operating items, mainly including finance cost of RMB58.4 million, equity-settled share-based payment of RMB4.3 million, depreciation of property, plant and equipment of RMB6.7 million and depreciation of right-of-use assets of RMB1.8 million, and (ii) changes in working capital, mainly including decrease in trade and bills payables of RMB5.4 million, partially offset by increase in other payables and accruals of RMB1.3 million.

In 2025, our net cash used in operating activities was RMB73.0 million. Our loss before tax was RMB141.6 million for the year. The difference between our loss before tax and our net cash used in operating activities for the period was primarily attributable to (i) certain non-cash or non-operating items, mainly including finance cost of RMB62.5 million, equity-settled share-based payment of RMB3.6 million , depreciation of property, plant and equipment of RMB7.0 million and depreciation of right-of-use assets of RMB1.8 million, and (ii) changes in working capital, mainly including decrease in trade and bill payables of RMB4.6 million, partially offset by increase in other payables and accruals of RMB2.5 million.

In the six months ended June 30, 2026, our net cash used in operating activities was RMB40.8 million. Our loss before tax was RMB85.2 million for the period. The difference between our loss before tax and our net cash used in operating activities for the period was primarily attributable to (i) certain non-cash or non-operating items, mainly including finance cost of RMB40.1 million, equity-settled share-based payment of RMB1.6 million, depreciation of property, plant and equipment of RMB3.5 million and depreciation of right-of-use assets of RMB1.0 million, and (ii) changes in working capital, mainly including decrease in other payables and accruals of RMB3.4 million, placement of pledged deposits of RMB1.3 million and increase in inventories of RMB0.6 million, partially offset by increase in trade and bills payables of RMB4.0 million.

WORKING CAPITAL

The Directors are of the opinion that, taking into account of the following financial resources available to us described below, we have sufficient working capital to cover at least 125% of our costs, including research and development expenses, selling and distribution expenses, administrative expenses, finance costs and other expenses for at least the next 12 months from the date of this Document: (i) our net operating cash flow; (ii) our cash and cash equivalents; (iii) our loan and credit facilities; (iv) our net proceeds from series D+ financing; and (v) the estimated **[REDACTED]** from the **[REDACTED]**.

Our cash burn rate refers to the average monthly amount of net cash used in operating activities, capital expenditures, and other scheduled cash payment. Assuming an average cash burn rate going forward of 2.4 times the level in the six months ended June 30, 2026 based on our future plans of an increasing number of clinical trials including Phase II clinical trial of PL-5 in the U.S, Phase II clinical trial of PL-18 gel formula in China and planned Phase I clinical trial of PL-MD-333 in China, taking into account the scheduled payment of indebtedness, we estimate that our cash at bank and on hand and committed unutilised banking facilities, together with other financial assets and time deposits as of June 30, 2026 will be able to maintain our financial viability for 25 months, or, if we also take into account the estimated **[REDACTED]** (based on the **[REDACTED]** of HK$**[REDACTED]** per Share), 59 months. Our Directors and our management team will continue to monitor our working capital, cash flows, and our business development progress.

We have no immediate plan for future financing after the **[REDACTED]** taking into account our available cash, **[REDACTED]** from the **[REDACTED]** and based on our cash burn rate. However, with the continuing expansion of our business and development of our drug candidates, or if we discover suitable targets for acquisition or business collaboration, we could not exclude the possibility to require further funding through public or private equity offerings, debt financing and other sources. We will comply with applicable laws and regulations, including requirements under the Listing Rules, when we proceed with such financings.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the years/periods indicated.

	Year Ended December 31,		Six Months Ended June 30,
	2024	2025	2026
Current ratio[(1)]	0.07	0.23	0.11
Quick ratio[(2)]	0.06	0.22	0.11

Note:

(1) Current ratio is calculated based on the current assets divided by current liabilities.

(2) Quick ratio represents current assets less inventories and divided by current liabilities.

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) our future growth largely relies on the strengths of our drug portfolio and the successful development of our drug candidates. If we fail to complete the clinical development and indication expansion of our drugs and drug candidates, to secure regulatory approvals for their commercialization, or experience significant delays in doing so, our business and financial prospects could be materially and adversely affected; (ii) the clinical trial results obtained in one jurisdiction may not be accepted by regulatory authorities in other jurisdictions; (iii) given our limited marketing and sales experience, we rely on both our internal marketing team and third-party distributors to promote our drugs, and if we fail to enhance our sales and distribution capabilities, it could negatively impact our revenue and operations; (iv) we depend on third parties, such as SMOs, CROs or cooperation partners to conduct clinical trials and marketing activities. If these third parties fail to meet their contractual obligations, our drug development and other related processes may be delayed; (v) we may have difficulty securing adequate intellectual property protections for our drugs, which could allow third parties to compete directly if our rights are not adequately protected; (vi) the manufacturing of our drugs is governed by stringent quality controls and any issues in managing this process may adversely affect our business; (vii) we have consistently incurred significant net losses since our inception and expect to continue incurring net losses for the foreseeable future; and (viii) our historical operating and financial results may not reflect our future performance.

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, Dr. Chen Yuxin, chairman of the Board, an executive Director, chief executive officer, and president of our Company, was entitled to exercise voting rights in our Company in respect of (i) approximately 27.97% of our total issued Shares directly held by him and (ii) approximately 7.77% of our total issued Shares directly held by Jiangyin Puyuan, of which Dr. Chen was the executive and general partner. Pursuant to the partnership agreement of Jiangyin Puyuan, all management power and voting rights of Jiangyin Puyuan reside with its executive and general partner, Dr. Chen. As such, Dr. Chen (directly and indirectly through Jiangyin Puyuan) controlled approximately [35.74]% of the total issued share capital of our Company, and had, together with Jiangyin Puyuan, formed a group of controlling shareholders of the Company, as of the Latest Practicable Date and immediately prior to the completion of the **[REDACTED]**. Immediately following completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised and taking into account the Share Subdivision), Dr. Chen (directly and indirectly through Jiangyin Puyuan) will continue to control approximately **[REDACTED]**% of the total issued share capital of our Company. Dr. Chen and Jiangyin Puyuan will be our Single Largest Group of Shareholders upon **[REDACTED]**. Please refer to the section headed "Directors and Senior Management" for details relating to Dr. Chen's experience and qualifications.

PRE-[REDACTED] INVESTORS

We have attracted certain Pre-**[REDACTED]** Investors through our Series Pre-A, Series A, Series B, Series C, Series D, and Series D+ Pre-**[REDACTED]** Investments, pursuant to which approximately RMB787 million in aggregate was raised. Among our Pre-**[REDACTED]** Investors, PICC Fund (by virtue of PICC Equity Investment, a sophisticated investor, being its executive and general partner) and

Efung Runjun are our "Sophisticated Investor" as required by Chapter 18A of the Listing Rules, who have made meaningful investment in our Company at least six months before the **[REDACTED]**. Upon completion of the **[REDACTED]** (taking into account the Share Subdivision and assuming that the **[REDACTED]** is not exercised), PICC Fund and Efung Runjun will be interested in approximately **[REDACTED]**% and **[REDACTED]**% in the total issued share capital of our Company, respectively.

As of the Latest Practicable Date, save for the net proceeds received from the Series D+ Pre-**[REDACTED]** Financing which have not been utilized, we have utilized all the net proceeds received from the Pre-**[REDACTED]** Investments for developments and operation of our principal business of our Group. For further details of the backgrounds of our Pre-**[REDACTED]** Investors and the principal terms of the Pre-**[REDACTED]** Investments, see "History, Development and Corporate Structure — Details of the Pre-**[REDACTED]** Investments."

[REDACTED]

[REDACTED] EXPENSE

Assuming an **[REDACTED]** of HK$**[REDACTED]** per Share (being the mid-point of the indicative **[REDACTED]** range stated in this Document), the **[REDACTED]**, commissions, together with the Stock Exchange **[REDACTED]**, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee, legal and other professional fees, printing and other expenses relating to the **[REDACTED]**, which are payable by us are estimated to be RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**), of which RMB**[REDACTED]** are expected to be charged to our consolidated statements of profit or loss and other comprehensive income, and RMB**[REDACTED]** are expected to be deducted from equity following the **[REDACTED]**. The **[REDACTED]** expenses consist of RMB**[REDACTED]** **[REDACTED]**-related expenses and RMB**[REDACTED]** non-**[REDACTED]**-related expenses (including fees and expenses of legal advisors and the reporting accountant of RMB**[REDACTED]** and other fees and expenses of RMB**[REDACTED]**), representing **[REDACTED]**% of our **[REDACTED]** from the **[REDACTED]**. The **[REDACTED]** expenses above are the latest practicable estimate and are provided for reference only, and actual amounts may differ.

DIVIDENDS AND DIVIDEND POLICY

No dividend has been declared or paid by entities comprising our Group.

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 shareholders' meeting 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. As advised by our PRC legal Advisor, 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. 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$**[REDACTED]**, after deducting **[REDACTED]**, fees and other estimated expenses paid and payable by us in connection with the **[REDACTED]**, assuming the **[REDACTED]** being not exercised and an **[REDACTED]** of HK$**[REDACTED]** per Share (being the mid-point of the indicative **[REDACTED]** range stated in this Document). we intend to use the **[REDACTED]** from the **[REDACTED]** for the following purposes: (i) approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]**, is expected to be used for the R&D of our Core Product; (ii) approximately **[REDACTED]**% of the **[REDACTED]**, or approximately HK$**[REDACTED]**, will be used to fund the clinical trial research of our key products PL-3301 and PL-18; (iii) approximately **[REDACTED]**% of the **[REDACTED]**, or approximately HK$**[REDACTED]**, will be used to fund the clinical trial research of PL-MD-333; (iv) approximately **[REDACTED]**% of the **[REDACTED]**, or approximately HK$**[REDACTED]**, will be used for the R&D of our other preclinical candidates; (v) approximately **[REDACTED]**% of the **[REDACTED]**, or approximately HK$**[REDACTED]**, will be used for the upgrade and iteration of our technology platforms; (vi) approximately **[REDACTED]**% of the **[REDACTED]**, or approximately HK$**[REDACTED]**, will be used for potential strategic acquisitions, investments or collaborations which are in line with our growth strategies; (vii) approximately **[REDACTED]**% of the **[REDACTED]**, or approximately HK$**[REDACTED]**, will be allocated to product commercialization and marketing network development; and (viii) approximately **[REDACTED]**% of the **[REDACTED]**, or approximately HK$**[REDACTED]**, will be used for working capital and other general corporate purposes.

RECENT DEVELOPMENT

We expect a net loss in 2026 primarily due to expected increases in (i) R&D expenses in relation to our pipeline drugs; and (ii) expenses in connection with the **[REDACTED]** incurred in 2026.

We entered into Cooperation Agreement with Chia Tai Tianqing for sales of PL-5 in December 2022. According to the Cooperation Agreement, Chia Tai Tianqing shall prompt us to sell PL-5 to customers appointed by it and we shall pay service fees to Chia Tai Tianqing. Therefore, we are in charge of the product R&D, manufacturing, product sales and product delivery. In order to have a stable product supply, we plan to construct our own API production facility in Taizhou, Zhejiang Province, which is currently in the planning and design stage. We view it as a key component of our supply chain integration strategy, designed to: (i) ensure a stable supply of APIs for our Core Product and other pipeline drugs, thereby reducing our reliance on external suppliers while optimizing our overall cost of sales and shielding us from external price fluctuation; and (ii) strengthen the protection of our key API manufacturing process know-how and intellectual property.We plan to fund it by our self-raised funds.

Regulatory Updates

On December 18, 2025, the BIOSECURE Act (the "**BIOSECURE Act**") was enacted as Section 851 of the National Defense Authorization Act for Fiscal Year 2026 (the "**FY2026 National Defense Authorization Act**"). Prohibitions in the BIOSECURE Act will not take effect until the U.S. Office of Management and Budget (the "**OMB**") issues implementing guidance and relevant federal regulations are finalized. The timing and substance of such enabling regulations remain subject to uncertainty and may differ materially from current expectations. For further details, see "Regulatory Overview — U.S. Regulation — U.S. BIOSECURE Act."

We will continue to closely monitor and evaluate the potential impact of the BIOSECURE Act on our business and operations, including the release of forthcoming guidance and regulations. We have identified potential alternative service providers for relevant preclinical research, clinical research and CDMO services, including established CROs and CDMOs with experience supporting international regulatory submissions, which are generally capable of providing comparable services on commercially reasonable terms and supporting submissions to the FDA and the NMPA. We will maintain strong business relationships with all of our existing suppliers as well as a list of qualified alternative suppliers capable of providing equivalent services.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, there has been no material adverse change in our financial or trading position or prospects since June 30, 2026 and up to the date of this Document 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 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 our Group set out in Appendix I to this document
"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" or "Accounting and Financial Reporting Council"	the Accounting and Financial Reporting Council of Hong Kong
"Articles of Association" or "Articles"	the articles of association of our Company adopted by special resolution on December 25, 2025 with effect from the **[REDACTED]**, as amended, supplemented or otherwise modified from time to time, a summary of which is set out in "Appendix IV — Summary of Articles of Association"
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of our Board
"BIOSECURE Act"	refers to Section 851, titled "Prohibition on Contracting with Certain Biotechnology Providers", of the National Defense Authorization Act for Fiscal Year 2026, enacted as Public Law 119-60 and signed into law by the U.S. President on December 18, 2025
"Biotechnology Company of Concern"	a biotechnology company of concern within the meaning of the BIOSECURE Act
"Board" or "Board of Directors"	the board of Directors of our 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]
"CCASS"	Central Clearing and Settlement System established and operated by HKSCC
"Changchun Protelight"	Changchun ProteLight Pharmaceutical & Biotechnology Co., Ltd.* (長春普萊醫藥生物技術有限公司), a limited liability company established under the laws of the PRC on September 27, 2006, and a wholly owned subsidiary of the Company
"Chia Tai Tianqing"	refers to Chia Tai Tianqing Pharmaceutical Group Co., Ltd.
"China" or "PRC" or "Chinese Mainland"	the People's Republic of China and for the purpose of this document and for geographical reference only, unless the context otherwise requires, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"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"	ProteLight Pharmaceuticals (Jiangsu) Co., Ltd. (普萊醫藥(江蘇)股份有限公司) a limited liability company established in the PRC on April 8, 2009 and converted into a joint-stock company with limited liability on January 29, 2026
"Compliance Advisor"	Halcyon Capital Limited
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"Conversion of Unlisted Shares into H Shares"	the conversion of **[REDACTED]** Unlisted Shares into H Shares on a one-for-one basis upon the completion of **[REDACTED]**. Filing of such conversion of Unlisted Shares into H shares has been completed with the CSRC on [•] and an application for H Shares to be **[REDACTED]** on the Stock Exchange has been made to the **[REDACTED]**
"Core Product"	has the meaning ascribed thereto in Chapter 18A of the Listing Rules; for the purpose of this document, our Core Product refers to PL-5
"Corporate Governance Code"	Corporate Governance Code set out in Appendix C1 to the Listing Rules
"CSDC"	China Securities Depositary and Clearing Corporation Limited (中國證券登記結算有限責任公司)
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of our Company
"DoD Section 1260H List"	the list of entities identified and published at least annually by the U.S. Department of Defense pursuant to Section 1260H of the National Defense Authorization Act for Fiscal Year 2021
"Dr. Chen"	Dr. CHEN Yuxin (陳育新), our founder, the chairman of our Board, executive Director, chief executive officer, and president of our Company and a member of our Single Largest Group of Shareholders
"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
"Employee Incentive Platform"	Jiangyin Puyuan, the platform established for the purpose of our Employee Incentive Scheme
"Employee Incentive Scheme"	the employee incentive scheme of our Company which was approved on August 23, 2022

"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, large-scale 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"	Frost & Sullivan, our industry consultant, an independent third party
"Frost & Sullivan Report"	the report commissioned by our Company and independently prepared by Frost & Sullivan, a summary of which is set out in "Industry Overview"
"General Rules of HKSCC"	the General Rules of HKSCC as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
	[REDACTED]
"Group," "our Group", "we", or "us"	the Company and its subsidiaries from time to time or, where the context so requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant 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
	[REDACTED]
"Hangzhou Fuertai"	Hangzhou Fuertai Biotechnology Co., Ltd.* (杭州孚爾泰生物科技有限公司), a limited liability company established under the laws of the PRC on November 25, 2024, and a wholly owned subsidiary of the Company
"HKFRS"	Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and the related interpretations issued by the Hong Kong Institute of Certified Public Accountants
	[REDACTED]

[REDACTED]

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"HK$" or "Hong Kong dollar"	Hong Kong dollar, the lawful currency of Hong Kong

[REDACTED]

"independent third party(ies)"	entity(ies) or person(s) who is/are not connected person(s) of our Company or our subsidiary within the meaning of the Listing Rules

[REDACTED]

"Jiangsu Putai"	Jiangsu Putai Pharmaceutical Technology Co., Ltd.* (江蘇普肽醫藥技術有限公司), a limited liability company established under the laws of the PRC on July 14, 2020, and a wholly owned subsidiary of the Company
"Jiangyin Puyuan"	Jiangyin Puyuan Enterprise Management Partnership (Limited Partnership)* (江陰普源企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on September 25, 2020, our Employee Incentive Platform, and a member of our Single Largest Group of Shareholders
"Latest Practicable Date"	August 24, 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
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"MOF"	Ministry of Finance of the PRC (中華人民共和國財政部)

"MOFCOM"	Ministry of Commerce of the PRC (中華人民共和國商務部)
"Nanjing Denovo"	Nanjing Denovo Pharmaceutical Technology Co., Ltd.* (南京蒂諾維醫藥科技有限公司), a limited liability company established under the laws of the PRC on May 26, 2020, and a wholly owned subsidiary of the Company
"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 our Board

[REDACTED]

"OMB List"	the list of Biotechnology Companies of Concern designated by the U.S. Office of Management and Budget to be published and periodically updated by the U.S. Office of Management and Budget pursuant to the BIOSECURE Act

[REDACTED]

"PBOC"	People's Bank of China (中國人民銀行), the central bank of the PRC

[REDACTED]

"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 GAAP"	the generally accepted accounting principles in the PRC

"PRC Legal Advisor"	Allbright Law Offices, our legal advisor as to PRC law
"Pre-**[REDACTED]** Investment(s)"	the Pre-**[REDACTED]** investment(s) in our Company undertaken by the Pre-**[REDACTED]** Investors, details of which are set out in the section headed "History, Development and Corporate Structure" in this Document
"Pre-**[REDACTED]** Investor(s)"	the investor(s) of the Pre-**[REDACTED]** Investment(s), the details of which are set out in "History, Development and Corporate Structure"

[REDACTED]

"Remuneration Committee"	the remuneration committee of our Board
"Reporting Accountants"	Ernst & Young
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SAFE"	State Administration for Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAIC"	State Administration of Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局), the function of which has now been merged into the SAMR
"SAMR"	State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
"SASAC"	State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會)
"SFC"	Securities and Futures Commission of Hong Kong
"SFO" or "Securities and Futures Ordinance"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shanghai-Hong Kong Stock Connect"	a securities trading and clearing links program developed by the Stock Exchange, the Shanghai Stock Exchange, HKSCC and the CSDC for mutual market access between Hong Kong and Shanghai
"Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each before the completion of the Share Subdivision and RMB0.50 each after the completion of the Share Subdivision, comprising Unlisted Share(s) and H Share(s)

"Share Subdivision"	the subdivision of each Share with a nominal value of RMB1.00 into two Shares with a nominal value of RMB0.50 each, which will become effective immediately before the **[REDACTED]**
"Shareholder(s)"	holder(s) of the Share(s)
"Shenzhen-Hong Kong Stock Connect"	a securities trading and clearing links program developed by the Stock Exchange, the Shenzhen Stock Exchange, HKSCC and the CSDC for mutual market access between Hong Kong and Shenzhen
"Single Largest Group of Shareholders"	refers to Dr. Chen and Jiangyin Puyuan, details of which are set out in the section headed "Relationship with our Single Largest Group of Shareholders" in this document
	[REDACTED]
"Sole Sponsor"	CITIC Securities (Hong Kong) Limited
	[REDACTED]
"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 thereto in section 15 of the Companies Ordinance
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Takeovers Code"	the Codes on Takeovers and Mergers issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the period comprising the two financial years ended December 31, 2025 and the six months ended June 30, 2026
"ULE Holdings"	University License Equity Holdings, Inc., a non-profit organization established by the University of Colorado under the laws of the United States on October 2, 1992
"UltraPep Biopharm"	UltraPep Biopharmaceuticals (Zhejiang) Co., Ltd.* (臻泰生物製藥(浙江)有限公司), a limited liability company established under the laws of the PRC on October 15, 2025, and a wholly owned subsidiary of the Company
"U.S." or "United States"	the United States of America, its territories, possessions and all areas subject to its jurisdiction
"U.S. dollar", "USD" or "US$"	United States dollar, the lawful currency of the United States
	[REDACTED]

[REDACTED]

"Wuxi Ruiyi"	Wuxi Ruiyi Pharmaceutical Co., Ltd.* (無錫銳益醫藥有限公司), a limited liability company established under the laws of the PRC on August 3, 2020, and a wholly owned subsidiary of the Company
"%"	per cent

Unless otherwise specified or the context otherwise requires: (i) statements contained in this Document assume no exercise of the **[REDACTED]***; (ii) all times refer to Hong Kong time; (iii) references to years, months and days in this Document are to calendar years, calendar months and calendar days, respectively; and (iv) all data and information set out in this Document is as of the Latest Practicable Date.*

In this Document, the terms "associate," "close associate," "connected person," "core connected person," "connected transaction," "controlling shareholder/single largest group of shareholders" and "substantial shareholder" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

In this Document, "" denotes translation of certain natural persons, legal persons, enterprises, governmental authorities, institutions, entities, organizations, departments, facilities, laws and regulations into Chinese or English (as the case maybe), etc., or another language included in this Document for identification purposes only. In the event of any inconsistency, the Chinese names or the names in their original languages prevail.*

If there is any inconsistency between the English version of this Document and the Chinese translation of this Document, the English version of this Document shall prevail unless otherwise stated. However, if there is any inconsistency between the names of any of the entities mentioned in the English version of this Document which are not in the English language and their English translations, the names in their respective original language shall prevail.

EXCHANGE RATE CONVERSION

Solely for your convenience, this document contains conversion among certain amounts denominated in Renminbi, Hong Kong dollar and U.S. dollar at specified rates.

Unless otherwise specified, the conversion of Renminbi into Hong Kong dollar, of Renminbi into U.S. dollar and of Hong Kong dollar into U.S. dollar, and vice versa, in this document was made at the following rates:

RMB0.8654 to HK$1.00
RMB6.7841 to US$1.00
HK$7.8391 to US$1.00

No representation is made that any amounts denominated in Renminbi, Hong Kong dollar or U.S. dollar can be or could have been at the relevant dates converted at the above rates or any other rates or at all.

GLOSSARY OF TECHNICAL TERMS

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

"Acceptance Notice"	A formal notice from a regulator confirming acceptance of an application for review (e.g., a marketing application).
"acquired resistance"	Resistance developed after exposure to antimicrobials (e.g., via mutation or gene acquisition).
"active comparator" or "active control"	A marketed or standard therapy used as the control arm in a clinical trial (instead of placebo).
"active-controlled study"	A clinical trial that compares an investigational product against an active comparator rather than placebo.
"adverse drug reaction" or "ADR"	An adverse event for which a causal relationship to the drug is at least a reasonable possibility.
"adverse event" or "AE"	Any undesirable medical occurrence in a subject after receiving a drug or undergoing a procedure, whether or not related to the drug.
"alpha-helical (α-Helical)"	A helical peptide/protein secondary structure; alpha-helix formation is often important for membrane interaction by antimicrobial peptides.
"AMP"	Antimicrobial peptide, which is a small protein that defends against bacteria, fungi, and viruses by disrupting microbial membranes or inhibiting essential cellular processes.
"amphipathic"	Having both hydrophobic (lipid-interacting) and hydrophilic (water-interacting) regions, supporting membrane binding and disruption.
"autoimmune disorders"	Diseases driven by immune responses against self-antigens, resulting in chronic inflammation and tissue injury.
"bactericidal"	Capable of killing bacteria (as opposed to merely inhibiting growth).
"bacteriostatic"	Capable of inhibiting bacterial growth without necessarily killing bacteria.
"Barrel-stave Mechanism"	A pore-forming membrane-disruption model where peptides insert into membranes and assemble into transmembrane channels.
"Below the Limit of Quantification" or "BQL"	Drug concentration is below the assay's quantification limit, indicating very low or undetectable exposure.
"biliary excretion"	Elimination via bile into the gastrointestinal tract; part of ADME assessment.
"biofilm"	A structured microbial community embedded in a protective matrix; often more tolerant to antimicrobial therapy.
"broad-spectrum"	Active against a wide range of pathogens (e.g., Gram-positive and Gram-negative bacteria and/or fungi).

GLOSSARY OF TECHNICAL TERMS

"buccal Administration"	Delivery via oral mucosa to achieve local action and/or systemic absorption, potentially reducing first-pass metabolism.
"CDE"	The Center for Drug Evaluation of the NMPA (國家藥品監督管理局藥品審評中心), which is the evaluation body under China's NMPA responsible for technical review of clinical and marketing submissions.
"CDMOs"	Contract development and manufacturing companies, which provide comprehensive development and manufacturing services for drug substances and products on a contract basis.
"cell wall"	The outer structural layer in bacteria/fungi that surrounds the cell membrane and affects permeability and drug access.
"chi-square test"	A statistical test commonly used to compare categorical outcomes between groups.
"clinical endpoint"	A prespecified clinical outcome used to assess treatment effect (e.g., response, healing, infection control).
"clinical response rate"	Proportion of subjects meeting prespecified criteria for clinical response at an assessment timepoint.
"CMC"	CMC stands for Chemistry, Manufacturing, and Controls, refers to the development, production, and quality control of drug substances and drug products.
"colonization"	Presence of microorganisms on/in the body without necessarily causing symptomatic infection.
"comparator"	The control treatment used for comparison (placebo or active comparator).
"conditional approval"	A regulatory pathway where approval may be granted with post-approval obligations, subject to specific conditions.
"crossover administration"	A design where subjects receive more than one treatment (e.g., investigational product and placebo) in different periods.
"CROs"	Contract research organizations, which provide outsourced research support to the pharmaceutical, biotechnology, and medical device industries.
"Current Good Manufacturing Practice" or "cGMP"	Updated GMP requirements applicable at the time of manufacture.
"cytoplasmic membrane"	The lipid bilayer membrane enclosing the cell's cytoplasm; disruption can cause cell death.
"D-amino acids"	Amino acids in D-configuration; incorporation may enhance protease resistance and improve peptide stability.
"diabetic foot infection" or "DFI"	Infection associated with diabetic foot complications; commonly involves mixed microbial infections and may include MDR pathogens.
"dose escalation" or "dose-ascending"	Stepwise increase of dose across cohorts to evaluate safety, tolerability and exposure.
"Dose Group"	A cohort of subjects assigned to receive a specific dose level.

GLOSSARY OF TECHNICAL TERMS

"double-blind"	Both subjects and investigators are unaware of treatment assignment to reduce bias.
"dysphagia"	Difficulty swallowing; may occur in oropharyngeal infections and can affect nutrition and quality of life.
"E3 ligase"	An enzyme complex involved in ubiquitination; recruited by degraders to tag target proteins for degradation.
"electrostatic interaction"	Attraction between opposite electrical charges (e.g., cationic peptides and anionic microbial membranes).
"End-of-Phase II Meeting" or "EOP2"	A regulator interaction to discuss Phase II data and align on pivotal Phase III design and strategy.
"eradication rate"	Proportion of subjects achieving elimination of a pathogen at a defined timepoint based on microbiological assessments.
"eukaryotic cells"	Cells with a nucleus (e.g., human cells); membrane composition differs from prokaryotic cells.
"every 8 hours" or "q8h"	Dosing frequency meaning every 8 hours, typically three times daily.
"FGF19"	Fibroblast growth factor 19, an endocrine hormone involved in bile acid and metabolic regulation.
"FGF21"	Fibroblast growth factor 21, an endocrine hormone involved in energy and metabolic regulation.
"first-in-class" or "FIC"	A "first-in-class" drug is broadly defined as a therapeutic agent that introduces a completely novel mechanism of action into clinical practice.
"Food and Drug Administration" or "FDA"	U.S. authority overseeing clinical trials and marketing authorisations for drugs and biologics.
"full analysis set" or "FAS"	Main efficacy analysis population, generally aligned with intent-to-treat principles per protocol definition.
"fungal cell membrane"	The lipid bilayer of fungal cells; disruption can lead to antifungal effects.
"fungicidal"	Capable of killing fungi.
"genotoxicity"	The potential of a substance to damage genetic material; evaluated in non-clinical safety testing.
"GFA"	Gross floor area
"Good Laboratory Practice" or "GLP"	Quality system for non-clinical studies ensuring data integrity, traceability and reliability.
"Good Manufacturing Practice" or "GMP"	Quality standards governing manufacturing to ensure consistent product quality and compliance.
"Gram-negative bacteria"	Bacteria with an outer membrane and thinner peptidoglycan layer; often harder to treat due to permeability barriers.
"Gram-positive bacteria"	Bacteria with thick peptidoglycan and no outer membrane; includes common pathogens.
"hematologic malignancy"	Malignancies arising from blood-forming tissues and lymphoid lineages (e.g., leukemias, lymphomas, myeloma).

GLOSSARY OF TECHNICAL TERMS

"hydrophilic face"	The polar surface of an amphipathic helix that interacts with aqueous environments or polar head groups.
"hydrophobic face"	The non-polar surface of an amphipathic helix that interacts with lipid membrane cores.
"hydrophobic interaction"	Interaction between non-polar groups and lipid components that promotes membrane insertion/disruption.
"immunocompromised"	Having reduced immune function, increasing susceptibility to opportunistic infections.
"*in vitro*"	Experiments performed outside a living organism (e.g., assays in plates or tubes).
"*in vivo*"	Experiments conducted in living organisms (animals or humans).
"inhalation"	Delivery to the respiratory tract via inhaled formulations; can provide local pulmonary exposure and/or systemic absorption.
"International Nonproprietary Name" or "INN"	WHO-assigned generic name for a pharmaceutical substance, intended to be globally recognised and non-proprietary.
"International Working Group on the Diabetic Foot" or "IWGDF"	A global expert group that issues guidance and classification systems for diabetic foot disease and infection.
"Investigational New Drug" or "IND"	Regulatory submission to initiate clinical trials; in the U.S., IND clearance generally allows a trial to proceed.
"IWGDF Grade II"	IWGDF is a grading category used to describe the severity of diabetic foot ulcer infection in certain clinical contexts, and Grade II generally refers to an infected diabetic foot ulcer limited to the skin and subcutaneous tissue, without involvement of deeper structures (e.g., fascia, muscle, tendon, joint or bone) and without systemic features.
"KIF18A"	Kinesin family member 18A, a microtubule-based motor protein involved in regulating chromosome alignment during mitosis.
"KRAS"	Kirsten rat sarcoma viral oncogene homolog, a small GTPase that regulates cell growth and survival signaling and is frequently mutated in human cancers.
"lipid bilayer"	Double layer of lipids forming cell membranes; disruption compromises membrane integrity and cell viability.
"liquid chromatography-tandem mass spectrometry" or "LC-MS/MS"	Analytical method used to quantify drug concentrations in biological matrices.
"local administration"	Delivery at the site of disease (e.g., topical or mucosal), intended to limit systemic exposure.
"lower limit of quantification" or "LLOQ"	The lowest concentration that can be quantitatively measured with acceptable accuracy and precision.
"Membrane Discrimination Mechanism"	Selective interaction with microbial membranes (typically more negatively charged) over mammalian membranes (near-neutral), leading to preferential pathogen membrane disruption.

GLOSSARY OF TECHNICAL TERMS

"metabolic dysfunction-associated steatohepatitis" or "MASH"	Inflammatory form of metabolic fatty liver disease that can progress to fibrosis or cirrhosis.
"methicillin-resistant *staphylococcus aureus*" or "MRSA"	A drug-resistant strain of *S. aureus* resistant to methicillin and many related antibiotics.
"MIC range"	Range of MIC values across isolates; used to characterise variability in potency.
"MIC90"	Concentration inhibiting 90% of tested isolates; summary measure for antimicrobial activity.
"microbiological response rate"	Proportion achieving prespecified microbiological outcome (e.g., eradication) at a timepoint.
"minimum inhibitory concentration" or "MIC"	Lowest concentration of an antimicrobial that inhibits visible growth of a microorganism.
"mixed infection"	Infection involving more than one pathogen (e.g., bacterial plus fungal coinfection).
"modified full analysis set" or "mFAS"	A protocol-defined modification of the FAS with additional inclusion/exclusion rules for analysis.
"multicenter"	Conducted at multiple clinical trial sites, improving generalisability and recruitment.
"multidrug-resistant" or "MDR"	Resistant to multiple antimicrobial classes, limiting treatment options.
"National Medical Products Administration" or "NMPA"	China's national authority regulating drugs and medical products, including clinical trial and marketing review.
"nephrotoxicity"	Kidney toxicity; a safety risk associated with certain antimicrobials.
"neurotoxicity"	Nervous system toxicity; a safety risk associated with certain antimicrobials.
"New Delhi metallo-β-lactamase-1" or "NDM-1"	A resistance factor associated with broad beta-lactam antibiotic resistance; linked to difficult-to-treat infections.
"New Drug Application" or "NDA"	Regulatory submission seeking marketing approval, supported by non-clinical, clinical, and CMC data.
"no observed adverse effect level" or "NOAEL"	Highest tested dose at which no adverse effects are observed in non-clinical studies.
"obesity"	A chronic metabolic disease characterised by excess adiposity and associated metabolic comorbidities.
"open-label"	Treatment assignments are known to subjects and investigators.
"oral mucosa"	Tissue lining the mouth; a site for local drug delivery and absorption.
"oropharyngeal candidiasis", or "OPC", or oral candidiasis	Fungal infection involving the oropharynx (commonly *Candida spp.*), often in immunocompromised populations. In routine practice, the boundary between OPC and oral candidiasis is often blurred, and the terms are used in a non-differentiated manner.

GLOSSARY OF TECHNICAL TERMS

"outer membrane"	An additional membrane layer in Gram-negative bacteria that can impede drug penetration.
"P value"	Probability measure used in hypothesis testing; smaller values indicate stronger evidence against the null hypothesis.
"parallel development"	Conducting development activities in more than one jurisdiction concurrently.
"PARP-1"	PARP-1 refers to poly(ADP-ribose) polymerase 1, a nuclear enzyme involved in DNA damage detection and repair by catalyzing poly(ADP-ribosyl)ation of target proteins.
"pharmacodynamics" or "PD"	Relationship between drug exposure and biological effect, including mechanism and magnitude of response.
"pharmacokinetic set" or "PKS"	Analysis population used for pharmacokinetic assessment based on protocol-defined criteria.
"pharmacokinetics" or "PK"	Drug absorption, distribution, metabolism and excretion over time; often measured via plasma concentrations.
"phosphatidylcholine" or "PC"	A major zwitterionic phospholipid in mammalian membranes, contributing to near-neutral surface charge.
"phosphatidylethanolamine" or "PE"	A zwitterionic phospholipid commonly found in mammalian membranes, contributing to near-neutral surface charge.
"phosphatidylglycerol" or "PG"	An anionic phospholipid enriched in bacterial membranes, contributing to negative surface charge.
"phosphatidylserine" or "PS"	An anionic phospholipid referenced as enriched in microbial membranes in the document context.
"pivotal study"	A confirmatory trial intended to provide primary evidence supporting marketing authorisation.
"placebo"	An inactive control treatment used to assess treatment effect versus no active therapy.
"placebo-controlled"	A design comparing an investigational product versus placebo to estimate treatment effect and safety.
"plasma protein binding"	Degree to which a drug binds plasma proteins; high binding can affect free drug exposure and distribution.
"post-antifungal effect"	Sustained suppression of fungal growth after limited exposure to an antifungal agent.
"pre-NDA meeting"	Regulatory interaction held before NDA submission to align on requirements and readiness.
"preferred term" or "PT"	Standardised adverse event terminology classification used in safety reporting.
"prokaryotic cells"	Cells without a nucleus (e.g., bacteria); membrane composition differs from eukaryotic cells.
"protease degradation"	Breakdown of peptides by proteases; an important stability consideration for peptide therapeutics.
"protease-resistant"	Resistant to enzymatic degradation by proteases, often improving peptide stability in biological environments.

GLOSSARY OF TECHNICAL TERMS

"protein–protein interaction" or "PPI"	Physical interaction between proteins; often challenging to drug with conventional small-molecule inhibitors.
"proteolysis-targeting chimera" or "PROTAC"	A bifunctional molecule that recruits an E3 ligase to a target protein, inducing ubiquitination and proteasomal degradation.
"pulmonary infection"	Infection involving the lungs/respiratory tract; may be a target indication for inhaled or systemic anti-infective therapies.
"random coil"	A relatively unstructured peptide conformation in solution; may transition to alpha-helix upon membrane contact.
"randomized"	Subjects are assigned to treatment groups by chance to reduce selection bias.
"resistance-induction experiment"	Experimental assessment of whether repeated exposure leads to emergence of reduced susceptibility/resistance.
"safety set" or "SS"	Analysis population used for safety summaries, typically including all subjects who received at least one dose.
"secondary wound infection"	Microbial infection occurring in pre-existing acute or chronic wounds, which may delay healing and lead to complications.
"secondary infection of burn wounds"	secondary infections of first-degree or superficial second-degree burn and scald wounds caused by *Staphylococcus epidermidis*, *Staphylococcus haemolyticus*, or *Acinetobacter baumannii*.
"sepsis"	Life-threatening organ dysfunction due to dysregulated host response to infection.
"serious adverse event" or "SAE"	Event resulting in death, life-threatening outcome, hospitalisation/prolongation, significant disability, or other medically significant event.
"single ascending dose" or "SAD"	Design assessing safety and PK after a single dose across escalating dose cohorts.
"single-center"	Conducted at one clinical site; often used in early-phase studies.
"SMOs"	Site management organizations, which provide site-level support such as patient recruitment, coordinator management and protocol compliance to improve trial efficiency and quality.
"solid tumor"	A non-hematologic malignancy forming a mass lesion, distinct from blood cancers.
"statistical significance"	A result unlikely to have occurred by chance under a prespecified threshold.
"study may proceed" or "SMP"	Regulatory status indicating authorisation to initiate clinical trials under the applicable framework.
"suppository"	Solid dosage form inserted into a body cavity where it dissolves/melts to deliver drug locally and/or systemically.
"systemic circulation"	Blood circulation throughout the body; systemic exposure refers to drug presence in this circulation.

GLOSSARY OF TECHNICAL TERMS

"systemic exposure"	The extent to which a drug enters systemic circulation; assessed by plasma concentrations and PK parameters.
"systemic infection"	Infection disseminated via the bloodstream and/or affecting multiple organs; typically associated with higher clinical severity.
"targeted protein degradation" or "TPD"	A therapeutic approach that reduces disease-related proteins by inducing their degradation rather than inhibiting their activity.
"thermosensitive gel"	Formulation that changes physical state with temperature to enhance local retention at body temperature.
"topical"	Applied directly to a body surface (e.g., skin/mucosa) for local effect.
"Toxicokinetics" or "TK"	The study of the absorption, distribution, metabolism and excretion (ADME) of a test article in toxicology studies, typically used to characterize systemic exposure (e.g., C_max, AUC) and support interpretation of toxicity findings and exposure margins.
"transmembrane aqueous pore"	A water-filled channel formed in a membrane, enabling leakage of cellular contents and loss of membrane integrity.
"treatment-emergent adverse event" or "TEAE"	Any AE that begins or worsens after initiation of study treatment.
"treatment-related adverse event" or "TRAE"	An AE assessed as related, possibly related, or reasonably related to the study treatment.
"TYK2"	Tyrosine kinase 2, a Janus kinase family member that mediates cytokine receptor signaling and downstream JAK-STAT pathway activation.
"ulcerative colitis" or "UC"	Chronic inflammatory bowel disease of the colon with relapsing-remitting mucosal inflammation.
"urinary excretion"	Elimination of drug-related material via urine; part of ADME assessment.
"vaginitis"	Inflammation/infection of the vagina due to bacterial and/or fungal pathogens; may include single-pathogen and mixed-infection settings.
"vulvovaginal candidiasis" or "VVC"	Vaginal yeast infection, commonly caused by *Candida* species, associated with pruritus, discharge and irritation.
"zwitterionic phospholipid"	A phospholipid with both positive and negative charges but net neutral; common in mammalian membranes (e.g., PC, PE).

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements and information that relate to our current expectations and views of future events. These forward-looking statements are contained principally in "Summary," "Risk Factors," "Industry Overview," "Business," "Financial Information" and "Future Plans and Use of **[REDACTED]**." These statements relate to events that involve known and unknown risks, uncertainties and other factors, including those listed in "Risk Factors," which 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. In some cases, these forward-looking statements can be identified by words or phrases such as "may," "will," "expect," "anticipate," "aim," "estimate," "intend," "plan," "believe," "potential," "continue," "is/are likely to" or other similar expressions. These forward-looking statements include, among other things, statements relating to:

- our operations and business prospects;
- our financial condition and performance, debt levels and capital needs;
- our capital expenditure plan;
- our ability to maintain good relationships with our business partners;
- future developments, trends and conditions (including economic, political and business conditions) in the industries and markets in which we operate or plan to operate;
- changes to the regulatory environment in the industries and markets in which we operate;
- the actions and developments of our competitors;
- the ability of third parties to perform in accordance with contractual terms and specifications;
- our ability to retain senior management and key personnel and recruit qualified staff;
- our ability to control or reduce costs, or control our risks;
- our dividend policy;
- various business opportunities that we may pursue;
- our business strategies, objectives and plans and our ability to achieve these strategies; and
- changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, including those pertaining to the PRC and the industry and markets in which we operate, and capital market developments.

These forward-looking statements are subject to risks, uncertainties and assumptions, some of which are beyond our control. In addition, these forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. Actual outcomes may differ materially from the information contained in the forward-looking statements as a result of a number of factors, including, without limitation, the risk factors set out in "Risk Factors." The forward-looking statements contained in this document relate only to events or information as of the date on which the statements are made. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. You should read this document completely and with the understanding that our actual future results or performance may be materially different from what we expect. In this document, statements of, or references to, our intentions or those of any of our Directors are made as of the Latest Practicable Date. Any of these intentions may change in light of future development.

An **[REDACTED]** *in our H Shares involves significant risks. You should carefully consider all of the information in this document and in particular the risks and uncertainties described below, before making an* **[REDACTED]** *in our H Shares. In particular, we are a company seeking to* **[REDACTED]** *on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules. Our operations and the pharmaceutical industry involve certain risks and uncertainties, some of which are beyond our control and may cause you to lose all your* **[REDACTED]** *in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the* **[REDACTED]** *of our H Shares could decline, and you may lose all or part of your* **[REDACTED]**.

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in "Forward-looking Statements" in this document. You should seek professional advice from your relevant advisors regarding your prospective **[REDACTED]** *in the context of your particular circumstances.*

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to our drug development; (ii) risks relating to our drug commercialization; (iii) risks relating to the third parties; (iv) risks relating to our intellectual property rights; (v) risks relating to our manufacture and supply chain; (vi) risks relating to our financial position and need for additional capital; (vii) risks relating to government regulations; (viii) risks relating to our general operations; and (ix) risks relating to the **[REDACTED]**.

Additional risks and uncertainties that are presently not known to us or not expressed or implied below or that we currently deem immaterial could also have a material adverse effect on our business, financial condition, results of operations, and prospects. You should consider our business and prospects in light of the challenges we face, including the ones discussed in this section.

RISKS RELATING TO OUR DRUG DEVELOPMENT

Our future growth largely relies on the strengths of our drug portfolio and the successful development of our drug candidates. If we fail to complete the clinical development and indication expansion of our drugs and drug candidates, to secure regulatory approvals for their commercialization, or experience significant delays in doing so, our business and financial prospects could be materially and adversely affected.

Our business substantially depends on the successful clinical development, regulatory approval and commercialization expansion of our drug candidates. These include our Core Product PL-5, key products PL-3301 and PL-18, and other drug candidates, which are at various stages of registration, clinical studies, experimentation, and design. These drug candidates will continue to incur significant costs and expenses as they advance. In 2024, 2025 and the six months ended June 30, 2026, our R&D expenses amounted to RMB80.7 million, RMB57.2 million and RMB24.4 million, respectively. The successful development of our drug candidates is essential for expanding and strengthening our drug portfolio. As such, we expect to continue incurring substantial and increasing expenses in the foreseeable future as we advance the development of these drug candidates.

The success of our drug candidates is contingent upon several critical factors, including but not limited to: (i) successful enrollment in and completion of clinical trials, along with the completion of pre-clinical studies; (ii) favorable safety and efficacy data from our clinical trials and other studies; (iii) receipt of necessary regulatory approvals, including authorization from regulatory authorities or ethics committees to conduct the clinical trials; (iv) expansion of commercial manufacturing capabilities, either by constructing facilities ourselves or entering into agreements with third-party manufacturers; (v) ensuring that third parties engaged by us perform in compliance with our protocols and applicable laws, and protect the integrity of our data; (vi) securing and maintaining patent, trade secret, and other intellectual property protections, as well as regulatory exclusivity; (vii) avoiding infringement,

misappropriation, and violation of third-party intellectual property rights; (viii) successful commercial launch of our drug candidates subsequent to their regulatory approval; (ix) securing favorable governmental and private medical reimbursement for our drugs; (x) competing effectively within the anti-infective drug market, vulvovaginal candidiasis drug market and oral candidiasis drug market; and (xi) maintaining a satisfactory safety profile following regulatory approval.

As of the Latest Practicable Date, we had three drug candidates in the clinical stage and multiple drug candidates in pre-clinical development. There is inherent uncertainty as to whether clinical outcomes observed in trials of locally administered drugs can translate into regulatory approval. Regulatory approval will depend not only on its anti-infective efficacy, but also on whether the selected endpoints are acceptable to the NMPA and whether the product demonstrates overall clinical benefits, including its impact on wound healing. For instance, the NMPA has requested us to conduct an additional Phase IIIb clinical trial to further demonstrate the Core Product's impact on wound healing. Therefore, if we fail to demonstrate acceptable outcomes, the NMPA or other applicable regulators may delay, refuse or condition approval of our product candidates, which could materially and adversely affect their development and commercialization. Our costs will also increase if we experience significant delays or are unable to obtain regulatory approval or successfully commercialize our drug candidates.

Failure or delays in overcoming these challenges could result in: (i) delayed or denied regulatory approvals, preventing timely drug commercialization; (ii) restricted or narrowed indications for use, limiting the patient population; (iii) post-approval safety concerns that may lead to regulatory warnings, drug recalls, or market withdrawal; and (iv) challenges in achieving sufficient distribution and market acceptance, affecting profitability and market penetration.

Addressing these factors effectively is crucial to achieving our development goals. Otherwise, our business prospects could be adversely affected.

The clinical trial results obtained in one jurisdiction may not be accepted by regulatory authorities in other jurisdictions.

As of the Latest Practicable Date, we are conducting and planning clinical trials for our drug candidates, including PL-5, PL-18, and PL-3301, in multiple jurisdictions such as Chinese Mainland and the U.S. The regulatory frameworks, clinical trial requirements, and approval standards of the NMPA, FDA, and other regulatory authorities may differ significantly and are subject to change. As a result, clinical data generated in one jurisdiction may not be deemed sufficient by regulatory authorities in other jurisdictions to support clinical trial applications or marketing approvals. For example, the FDA may not fully accept the clinical data generated from our clinical trials conducted in Chinese Mainland. FDA's no objection to proceed directly into Phase II clinical trial in respect of our Core Product does not equivalent to FDA's acceptance of the efficacy of the data obtained from the Chinese Mainland for the registration in the U.S., nor does it guarantee that the endpoints of the Phase II and III clinical trials in the U.S. would support FDA approval. Meanwhile, the NMPA may require additional bridging studies for data generated overseas. If regulatory authorities require us to conduct additional, broader, or more complex clinical trials beyond our current development plans, it may increase our research and development costs, prolong our approval timelines, and materially and adversely affect our business, financial condition, and results of operations.

The anti-infective drug market faces fierce competition from established players, emerging technologies, and well-funded competitors, with risks including superior drugs, faster regulatory approvals, and consolidation that could undermine our market position.

Anti-infective market is a mature and relatively stable therapeutic area with slow innovation in recent years. For details of the competitive landscape in the anti-infective drugs market, please see "Industry Overview." If we are unable to improve our drug performance and secure broad market recognition, we may face limited acceptance of our future drugs. Furthermore, the emergence of new technologies could enhance competition in our sector.

If our competitors introduce drugs that are safer, more cost-effective, more convenient or demonstrate higher clinical efficacy than our own, our commercial opportunities could be significantly reduced. Additionally, competitors may seek regulatory approvals in China or other jurisdictions for drugs with similar intended uses, potentially causing delays in the approval process for our drugs. The timing of regulatory reviews by authorities, such as the NMPA, is unpredictable, particularly when

multiple applications for similar drugs are under concurrent review, which could extend the approval timelines for our drug candidates. Moreover, our competitors may receive earlier approval or have already obtained approval in both China and internationally, enabling them to establish a dominant market position ahead of us.

Additionally, collaborations and mergers in the drug sector could further consolidate resources within a few large companies, raising the barriers to competition. Smaller, early-stage companies may still represent considerable competition, particularly through strategic partnerships or acquisitions with larger, more established firms. These competitors compete with us for talents, including qualified R&D, management, and sales personnel, as well as for clinical trial sites, patient enrollment, distribution partners, and access to technologies that are critical to advancing our programs.

Some of our competitors may have greater financial resources, technical expertise, and experience in R&D, clinical trials, regulatory approval processes, and marketing than we do. Failure to compete effectively may result in a loss of market share, reduced revenue, and negative impacts on our growth prospects and position within the industry. Consequently, any challenges in competing against these well-resourced players could materially affect our business, financial condition, and future operations.

Our drug candidates could potentially cause unanticipated side effects or exhibit other issues that may lead to significant negative outcomes.

All drugs may carry the risk of side effects that may lead to adverse outcomes. If any undesirable effects are identified, whether directly or indirectly related to our drugs, we may face several significant adverse consequences, including: (i) regulatory authorities may revoke or suspend approvals, authorizations, or clearances for the affected drug; (ii) regulatory authorities may impose additional labeling requirements, such as enhanced safety warnings, restrictions on dosage regimens or limitations on concomitant use with other drugs; (iii) we may be required to issue safety notices or advisories to healthcare providers or patients regarding the risks associated with the affected drug; and (iv) we may face litigation and be held liable for injuries or damages caused to patients.

Any of these events may decrease the acceptance or continued usage of the affected drug or drug candidates. These developments could materially and adversely affect our business, financial condition, and results of operations.

Failure to advance our pipeline candidates and launch competitive new drugs in a timely manner may delay our market entry, prevent us from establishing a sustainable product portfolio, and significantly harm our financial condition and results of operations.

The emergence of innovative technologies, breakthroughs in medical research, or evolving market preferences could further challenge our ability to establish and maintain competitiveness in the marketplace. Even if we successfully advance our pipeline drug candidates to commercialization, our efforts to bring these products to market may be hindered by obstacles such as regulatory approval delays and restrictions on approved indications.

Delays in the development and launch of our pipeline drug candidates could prevent us from capturing market opportunities or leave us at a competitive disadvantage relative to peers with earlier market entry. Therefore, while we are required to invest significant time, resources, and capital in research and development, there can be no guarantee of success. Should our pipeline candidates fail to meet market expectations or be outperformed by competitors' superior products, we may be unable to recoup our development costs or achieve anticipated financial returns. These challenges could have a substantial adverse impact on our business operations and financial condition.

Given our limited resources and focus on specific drugs, we may fail to accurately assess market potential and capitalize on emerging technologies that could prove more profitable in the future.

We possess limited financial and managerial resources and currently concentrate our development efforts on drugs with selective applications. However, our current strategic focus may not lead to commercially successful outcomes, potentially causing us to overlook more promising market opportunities. If we fail to accurately assess the commercial viability or target markets of our drugs, or if we do not identify and prioritize opportunities that later prove to be more profitable or more likely to succeed, our operations could be negatively impacted, potentially resulting in material adverse effects on our financial performance.

To remain competitive, we must continuously adapt to emerging technologies and methodologies in R&D. This necessitates substantial investments of both human and financial resources to develop or acquire advanced technologies. However, we may still fail to effectively identify new technological opportunities or successfully enhance and integrate innovations into our operations.

Difficulties in enrolling patients may delay or adversely affect the progress of our clinical trials.

The identification, screening, and enrollment of participants are essential to the success of our clinical trials. We may face challenges in identifying and recruiting a sufficient number of participants with the necessary or desired characteristics, as defined in the eligibility criteria of our protocols, in order to complete our clinical trials within the planned timetable. The progress of our clinical trials depends not only on our ability to recruit participants who meet the criteria, but also on our ability to ensure their continued participation until the clinical trials are concluded and, where required, to complete any necessary follow-up assessment.

Our clinical trials may compete with those involving similar drug candidates. Such competition can limit the pool of potential participants available to us, as certain individuals may have chosen to participate in the clinical trials conducted by our competitors instead. Additionally, we may be conducting some of our clinical trials at the same sites as our competitors. This overlap may further reduce the number of patients available for our clinical trials at those shared locations.

Delays in the enrollment of participants in our clinical trials could lead to increased expenses and potentially impact the timing or outcomes of our planned clinical trials. This, in turn, may postpone the completion of these trials and negatively affect our ability to progress the development of our drug candidates or expand indications for our existing drugs.

If we are unable to enroll a sufficient number of participants to meet regulatory requirements or produce meaningful statistical data, our clinical trial costs could increase, and the planned clinical trial phases may not be completed as scheduled or at all. Such delays could impair our ability to advance our drug candidates and secure the necessary regulatory approvals within our anticipated timelines.

Our anti-infective drug candidates, including our Core Product, may become less effective due to the evolving nature of bacterial resistance in the future.

Bacterial resistance is inherently evolving, and pathogens may adapt under selective pressure. PL-5, our Core Product, is designed to disrupt microbial membranes through its membrane-discrimination mechanism, which may reduce the likelihood of resistance development. However, this does not assure that resistance or reduced susceptibility will not emerge following broader, prolonged or widespread clinical use.

If bacteria develop resistance or reduced susceptibility to PL-5 or our other drug candidates, their efficacy, clinical utility, market acceptance and commercial potential may be affected. In addition, we may also need to conduct additional studies, adjust treatment regimens or develop new candidates, which could increase our costs, delay our drug development or commercialization and adversely affect our business, financial condition and results of operations.

RISKS RELATING TO OUR DRUG COMMERCIALIZATION

Given our limited marketing and sales experience, we rely on both our internal marketing team and third-party distributors to promote our drugs, and if we fail to enhance our sales and distribution capabilities, it could negatively impact our revenue and operations.

Under our business model, we may not expend extensive resources on establishing a dedicated sales and marketing team in the short run. Instead, we will primarily focus on cultivating value-accretive partnerships with leading industry players for large-scale projects, leveraging their established distribution channels, robust sales and marketing capabilities, capital resources, and market intelligence and insights to achieve fast market access for our products across large indications and international markets in a cost-effective way. Additionally, we may work with third-parties in the PRC to promote and sell our drugs. Since we have no drug in the commercial stage and do not have a sophisticated marketing team yet, our experience in drug launch and commercialization is relatively

limited compared to other companies in the industry. This includes but is not limited to building and managing sales forces, conducting thorough market analyses, and securing necessary licenses and approvals. For details of our distribution model, please see "Business — Commercialization."

Our ability to commercialize pipeline drugs, even subsequent to drug approval, may face significant risks, including higher costs, longer timelines, and challenges in effectively scaling operations.

Further, our ability to execute our marketing model depends on attracting, motivating, and retaining skilled marketing and sales personnel with expertise in relevant medical areas. Competition for recruiting talent is intense. If we are unable to secure sufficiently qualified personnel or establish effective partnerships, it could adversely affect sales, hinder our ability to extend hospital coverage, and limit market penetration. Moreover, working with third-parties to promote and sell our drugs may introduce additional risks, as we have limited control over their marketing efforts, which could result in lower revenue compared to direct commercialization.

Our commercialization efforts are in a relatively early stage, and the future growth and profitability remain uncertain.

As of the Latest Practicable Date, we had no drugs at the commercial stage; however, we have launched a range of daily-care products that generate sales revenue. A substantial part of our revenue during the Track Record Period, has been derived from the sale of our daily-care products. However, the demand for our daily-care products may not continue to grow as anticipated. Additionally, our sale of daily-care products will not be our core business and cannot support our operation.

If our drug candidates are not commercialized as we expected, we would not be able to operate our company on a continuous basis. Furthermore, our pipeline drugs, once approved and marketed, may not deliver the satisfactory sales performance or profit margins we project, as they may be adversely affected by factors outside of our control. These factors may include, without limitation, downward pricing pressures, public health emergencies, changes in doctors' and patients' preferences, expiration of patent protections, the emergence of replacement drugs, disruptions in manufacturing or distribution, issues relating to drug quality or adverse events following procedures, changes in medical insurance coverage, and potential disputes over intellectual property or other matters with third parties. Additionally, there can be no assurance that we will successfully develop or acquire new drugs to diversify our drug candidates' portfolio, nor that we will be able to do so in a timely or competitive manner or at all.

Any severe adverse events caused by or associated with our drugs could harm our reputation and financial position and, limit the commercial viability of our drugs.

Our drug candidates, including those in the R&D or pre-commercialization registration stages, may potentially cause unintended adverse events, either directly or due to factors beyond our control. These factors could include complications not identified during clinical trials, rare but severe side effects, defects that our quality control system fails to detect, or improper use of our drugs. Our drugs may also be perceived as causing adverse events, even if definitive causality is not established.

Moreover, regulatory bodies in various jurisdictions may scrutinize our drugs if other drugs containing similar components or technologies are associated with severe adverse events. In such cases, we could face a range of serious consequences, including: (i) significant reduction in the demand and sales of the affected drugs; (ii) drug recalls; (iii) revocation of regulatory approvals for the affected drugs or facilities; (iv) damage to the reputation of our drugs and our brand; (v) removal of drugs from insurance coverage; and (vi) exposure to legal actions, regulatory investigations, and potential penalties, fines, or liabilities. These potential outcomes could materially and negatively impact our sales, profitability, and overall business outlook.

Even if our pipeline drugs receive regulatory approval, we may not gain widespread market acceptance or maintain a strong reputation for our drugs and future offerings.

The commercial success of our drug candidates relies heavily on achieving widespread market acceptance, particularly among hospitals, doctors, and patients. Even if approved, our drugs may face challenges in gaining sufficient market acceptance due to competition from existing, well-established replacement drugs and novel alternatives that may emerge. Doctors and patients may prefer familiar traditional drugs or our competitors' drugs due to factors such as pricing, established efficacy, and market penetration. Furthermore, doctors' willingness to adopt our drugs will depend on their

perception of our drugs' safety, efficacy, and advantages over existing solutions. Even if clinical trials demonstrate favorable outcomes, adoption may be hindered by the need for training or the familiarity of physicians with existing or alternative options.

Several factors will influence the degree of market acceptance of our drugs, including: (i) the clinical indications and applications for which our drugs are approved; (ii) doctors', hospitals', and patients' perceptions of our drugs as safe, effective, and preferable; (iii) comparative advantages and perceived disadvantages of our drugs relative to competing solutions; (iv) prevalence and severity of adverse events or complications; (v) labeling limitations or warnings approved by regulatory authorities; (vi) timing of market introduction relative to competitors' drugs; (vii) costs of diagnosis and treatment in comparison to alternative solutions; (viii) availability and adequacy of medical insurance coverage, reimbursement, and pricing by government authorities; (ix) willingness of patients to bear out-of-pocket costs in the absence of insurance coverage; and (x) effectiveness of our sales, marketing, and training efforts.

If our drugs fail to achieve sufficient market acceptance or if we are unable to maintain strong relationships with key stakeholders, we may not generate significant revenue and could fail to achieve profitability. Even after initial adoption, our market position could be affected over time if newer drugs or technologies are introduced that are perceived as more effective, cost-efficient, or superior.

We also recognize the importance of strengthening our brand image to achieve market recognition and build trust with our stakeholders. However, efforts to enhance our brand and expand market awareness may require substantial investments and may not yield immediate or proportional financial returns. Any negative publicity surrounding us or the broader industry could further undermine our reputation or business, hindering the growth and acceptance of our drugs in the market.

We may not succeed in building, expanding or integrating our in-house sales and marketing force successfully.

Our ability to successfully market our drugs or drug candidates (after obtaining the approval) may involve more inherent risks, take longer and cost more than it would if we were a company with sufficient experience launching such drugs and drug candidates. Given we had no drug candidates commercialised, we have relatively limited experience in commercializing such drug candidates.

The success of our sales and marketing efforts also depends on our ability to attract, motivate, and retain qualified and professional employees in our sales and marketing team who have, among other things, sufficient expertise in the drug candidates' area and can communicate effectively with medical professionals. However, competition for experienced sales and marketing personnel is intense. If we are unable to attract, motivate, and retain a sufficient number of qualified sales and marketing personnel to support our business, our business and results of operations may be negatively affected.

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

Government bodies, professional associations, healthcare management groups, and private organizations focused on various indications may issue guidelines, recommendations, and studies that impact our drugs or those of our competitors. For instance, the government may establish regulations regarding the use of antimicrobial peptide ("**AMP**") anti-infective drugs. These regulations could influence the sales and utilization of our drugs, which in turn could affect our financial conditions. However, any changes to these guidelines, recommendations, or studies that negatively affect our drug candidates could lead to reduce the future usage, sales, and revenue for our drugs. Additionally, our success is partly reliant on our ability to educate physicians and patients about our drugs, but these efforts may be affected by third-party guidelines, recommendations, and studies.

The potential downward change in the pricing of our drugs due to factors such as increased competition, governmental price controls, or inclusion in medical insurance reimbursement lists may adversely impact our sales.

Our ability to successfully commercialize and sell our drugs depends on the availability and scope of medical insurance coverage for treatments involving our drugs. In China, the medical insurance reimbursement policies differ widely across regions, as local governments must approve coverage on a case-by-case basis.

Insurers or government reimbursement policies may not favor our drugs. Without adequate reimbursement coverage, medical institutions may prioritize recommending alternative treatments, and patients may choose these options, potentially reducing demand for our drugs and adversely affecting our business performance.

As the competitive landscape evolves and alternative options increase in the market, pricing strategies may become increasingly critical to our ability to expand market penetration and achieve sustainable growth. Any significant downward change in drug pricing could materially and adversely impact our business, financial condition, and results of operations.

We have operated mainly within Chinese Mainland thus far, and expanding internationally poses significant challenges due to diverse regulatory requirements, cultural differences, and operational risks, potentially delaying global growth.

We will focus on the Chinese market in the short run, but could not rule out the possibility of expanding to international markets. When we manage to sell or manufacture our drugs abroad in the future, our limited experience in foreign markets presents various risks and uncertainties, including but not limited to: (i) navigating different regulatory frameworks, government policies, and regulatory bodies that may vary significantly from those in China; (ii) the time and resources required to obtain approvals for clinical trials, drug registrations, and sales in new markets; (iii) limited familiarity with the commercial dynamics and lack of established sales and marketing infrastructure in international markets; (iv) collaborating with overseas partners to develop, distribute and market our drugs; (v) potential drug liability claims, regulatory scrutiny, and associated costs related to the marketing and sale of drugs in foreign markets, including challenges in securing sufficient insurance coverage; (vi) the significant time and effort required to comply with general compliance requirements, local laws, regulations, and data privacy and security requirements, including cross-border data transfers; (vii) risks arising from changes in tariffs, trade barriers, and other evolving regulatory requirements; (viii) economic instability, inflation, and their impact on business operations; (ix) difficulty in enforcing contractual rights in international jurisdictions; (x) the risk of insufficient intellectual property protections and potential infringements in overseas markets; (xi) compliance with foreign tax, employment, immigration, and labor regulations for staff working abroad; (xii) unfamiliar foreign tax structures, which could lead to unexpected tax liabilities; (xiii) fluctuations in currency exchange rates; (xiv) labor disputes or workforce instability in international markets; and (xv) potential disruptions caused by geopolitical events, such as wars, natural disasters, terrorism, trade wars, or sanctions.

Our expansion into international markets requires significant management resources and entails challenges such as cultural barriers, complex regulatory landscapes, and differing commercial infrastructures. Entering new jurisdictions involves substantial costs with no guarantee of market acceptance, and the diversion of senior management's focus could adversely affect our core operations in China. Furthermore, international drug sales are subject to country-specific regulatory requirements, which vary significantly in stringency and duration. The process of obtaining necessary marketing approvals can be time-consuming and expensive, and timely clearance in all target markets may not be achieved. Failure to comply with local regulations or delays in one jurisdiction may hinder approvals in others, potentially preventing us from commercializing our drugs globally and materially impacting our business growth.

Additionally, international business entails other risks and challenges, including data security concerns, intellectual property protection challenges, financial risks, and unforeseen events such as natural disasters, political instability, or other force majeure situations. Since we have overseas subsidiaries, any failure or delay in managing our overseas directors, senior management and employees (if applicable) including oversight of their performance, legal compliance, and cultural integration could

materially and adversely affect our business, financial condition, and reputation. These risks could also hinder or delay our ability to expand into international markets and could materially adversely affect our operations, financial results, and long-term business prospects.

RISKS RELATING TO THE THIRD PARTIES

We depend on third parties, such as SMOs, CROs or cooperation partners to conduct clinical trials and marketing activities. If these third parties fail to meet their contractual obligations, our drug development and other related processes may be delayed.

We rely on third-party service providers, such as SMOs, CROs and other cooperation partners, to assist in the execution, monitoring, and management of our clinical studies. During the Track Record Period, we engaged with (i) five, six and three CROs in 2024, 2025 and the six months ended June 30, 2026, respectively; and (ii) one, two and one SMOs in 2024, 2025 and the six months ended June 30, 2026, respectively. The aggregate expenses incurred in relation to the (i) engaged CROs amounted to approximately RMB28.5 million, RMB18.8 million and RMB9.0 million in 2024, 2025 and the six months ended June 30, 2026, respectively; and (ii) engaged SMOs amounted to RMB0.3 million, RMB0.2 million and RMB0.5 million in the same period, respectively. However, if these third parties fail to perform their contractual obligations, adhere to expected deadlines, or comply with regulatory requirements, such as clinical, laboratory, or manufacturing standards, the development and commercialization of our drugs and drug candidates may be significantly delayed. Moreover, if any of these third parties terminate their agreements with us, fail to allocate sufficient time and resources to our projects, or perform in a manner that compromises the quality or accuracy of data, we may face delay in completing these studies or even fail to meet regulatory requirements.

Such failures could result in rejection or non-acceptance of our study data by regulatory authorities, including the NMPA or equivalent authorities in other jurisdictions, thereby increasing R&D expenses and extending timelines for our affected drugs or drug candidates. Additionally, should these third parties encounter setbacks such as operational disruptions, data inaccuracies, or compliance issues, our ability to meet anticipated development and commercialization schedules may be compromised. Furthermore, as we depend on relationships with physicians to support the development and promotion of our drugs, any inability to maintain these relationships may adversely impact our clinical programs and marketing efforts. Consequently, these risks could materially and adversely affect our business, financial condition, and prospects.

We may face risks with our collaborations, licensing arrangements, and strategic partnerships with third parties.

We may pursue strategic collaborations, joint ventures, or licensing arrangements to advance the R&D and commercialization of our drug candidates. However, these complex arrangements are highly competitive to secure and may not deliver the intended benefits. Our collaborators retain significant discretion over their resource allocation and may shift priorities, causing delays, trial cessations, or the abandonment of programs. Furthermore, disputes may arise regarding financial milestones or the ownership of intellectual property, potentially leading to costly litigation or limiting our exclusive commercialization rights. Should a collaboration terminate, we may be forced to independently fund development, which could require expertise or capital beyond our available resources. Any failure to establish or maintain successful partnerships on favorable terms could significantly impair our ability to generate revenue and materially harm our business prospects and financial condition.

The commercialization of our Core Product in the Chinese Mainland market highly relies on Chia Tai Tianqing, and any failure by Chia Tai Tianqing to perform its contractual obligations may adversely affect our business operations.

In December 2022, we entered into an exclusive commercial cooperation agreement with Chia Tai Tianqing in respect of sales of our Core Product, pursuant to which Chia Tai Tianqing is granted exclusive rights to manage distribution, channel strategy, tendering, NRDL access and marketing execution in Chinese Mainland, while we retain responsibility for manufacturing, supply, regulatory matters and product quality. For details, please see "Business — Our Collaborations And Licensing Arrangements — Exclusive Commercial Cooperation Agreement with Chia Tai Tianqing."

Our reliance on Chia Tai Tianqing exposes us to certain risks as our commercialization success of our Core Product in the Chinese Mainland is substantially dependent on its execution and commercial capabilities. Any failure by Chia Tai Tianqing to effectively implement sales and market access strategies, secure favorable pricing or NRDL outcomes, or maintain distributor and hospital coverage could adversely affect the sales of our Core Product. In addition, the exclusivity arrangement limits our ability to engage alternative partners. Any disagreements under the joint steering committee mechanism or any deterioration in the cooperation or termination of the agreement may result in delays or disruption to commercialization activities, which may materially affect our business, financial condition and results of operations.

RISKS RELATING TO OUR INTELLECTUAL PROPERTY RIGHTS

Our intellectual property rights may have limited lifespan.

The limited lifespan of patents means that protections may expire before or shortly after the commercialization of certain pipeline drugs, especially those requiring lengthy development and regulatory review. For example, in December 2025, a Chinese patent we licensed from the University of Colorado covering the underlying antimicrobial peptide compound of our Core Product expired, and a U.S. patent we licensed from the University of Colorado covering the same compound is expected to expire in October 2028. Upon expiration, our exclusivity may diminish and competitors may freely commercialize similar or identical drugs, eroding our market position. Additionally, if we fail to obtain trademark protections for our primary brands, we may be forced to change branding, which could negatively impact our business. The limited lifespan of patents or failure to obtain trademark protections could materially harm our competitive position.

We may have difficulty securing adequate intellectual property protections for our drugs, which could allow third parties to compete directly if our rights are not adequately protected.

The success of our business relies heavily on our ability to protect our proprietary technologies, drugs, and drug candidates through intellectual property rights, including patents, trade secrets, and related regulatory protections. As of the Latest Practicable Date, we owned (i) 71 issued patents in China, (ii) two issued patent and one licensed-in patent in the U.S., (iii) three issued patents in other jurisdictions, including Japan and Europe, and (iv) 27 pending patent applications, including 16 in China, two in the U.S., one under the Patent Cooperation Treaty (PCT) which has not entered into national phases, and eight in other jurisdictions. However, they may be subject to governmental or third-party objections, potentially affecting their issuance or maintenance. To maintain a competitive edge, we employ a multi-faceted strategy, including filing patent applications in major jurisdictions where we intend to market our drugs, relying on confidentiality agreements, and leveraging regulatory safeguards. Securing and enforcing intellectual property rights is both costly and time-intensive. We may encounter challenges in identifying patentable aspects of our research promptly, filing all necessary or desirable applications within a reasonable timeframe or budget, and obtaining enforceable rights that provide sufficient protections.

The protection of our innovations is subject to inherent uncertainties and risks. Patent applications may be rejected due to lack of novelty or obviousness, and issued patents may be invalidated, narrowed, or circumvented by competitors. Under the "first-to-file" systems in jurisdictions like China and the U.S., earlier third-party filings can preclude us from securing rights to our own inventions. Furthermore, because patent applications often remain unpublished for 18 months, we may be unable to ascertain whether overlapping technologies have already been claimed by others.

Even if patents are successfully registered, they remain vulnerable to post-grant challenges, including re-examinations and litigation, which may render them unenforceable. Enforcement of these rights also varies by jurisdiction; in regions with less robust legal frameworks, preventing infringement or the export of competing drugs may be difficult. Additionally, any breach of confidentiality by employees or collaborators could lead to public disclosure, jeopardizing the patentability of our trade secrets. Collectively, inadequate intellectual property protection or adverse rulings in disputes could materially harm our competitive position, financial condition, and long-term growth prospects.

Potential challenges by third parties regarding our in-licensed intellectual property may adversely affect our ability to use such IP and impose material restrictions on the development and commercialzation of it.

Since the compound patents of Our Core Product PL-5 is owned by the University of Colorado, these patents are exposed to potential risks of challenges, oppositions or claims by third parties. Any such actions could materially and adversely affect the legality, stability, and exclusivity of our use of

such intellectual property rights, thereby restricting our rights to develop and commercialize our Core Product. We have in-licensed two compound patents from the University of Colorado, one of which in China has expired in December 2025 and the other one in the U.S. will expire in 2028.

Furthermore, if any third party files challenges, oppositions, invalidation requests or infringement litigation against the validity, scope of infringement or other aspects of such in-licensed patent, we may be restricted from using the relevant in-licensed patent, which may delay the research and development, registration and commercialization of our products, or have a material adverse impact on our collaborations, market competitive position and operating results.

We may be involved in disputes and similar proceedings for alleged intellectual property infringement, leading to uncertain outcomes and significant costs. We may also face expensive, time-consuming lawsuits to protect our patents, which could be ruled invalid or unenforceable, delaying our drug commercialization.

We are subject to the risk of intellectual property disputes, including claims of infringement, misappropriation, and contested ownership. The rapid pace of innovation and the proliferation of patents in the pharmaceutical industry increase the likelihood of such conflicts, as we may inadvertently utilize technology covered by third-party rights. Regardless of merit, these legal proceedings can be costly, divert critical management and technical resources, and harm our reputation or share price. An unfavorable outcome could result in substantial damages — including treble damages for willful infringement — injunctions halting our operations, or the necessity of seeking licenses that may not be available on commercially reasonable terms. Furthermore, the termination of key licensing agreements could deprive us of essential intellectual property.

We may also need to initiate litigation or administrative proceedings, such as those before the China National Intellectual Property Administration ("**CNIPA**"), to enforce our rights or challenge third-party patents. Such actions are often met with counterclaims and carry the risk that our own patents could be narrowed, invalidated, or deemed unenforceable due to prior art or other legal challenges. Competitors with greater financial resources may be better positioned to sustain these protracted disputes. Ultimately, any failure to protect our proprietary information or successfully defend against infringement claims could lead to the loss of market exclusivity, increased operating losses, and a material adverse effect on our business, financial condition, and growth prospects.

Maintaining our patent protections requires ongoing procedural compliance, and administrative lapses may affect the scope or duration of protection.

Our ability to obtain and maintain patent protections relies on adhering to various procedures, documentation, fee payments, and other requirements established by governmental patent authorities. Administrative lapses in fulfilling these obligations may lead to expiration, withdrawal, or limitation. Maintenance fees for issued patents must be paid periodically to the CNIPA, and other relevant patent offices at several intervals throughout the patent's validity period. These agencies also mandate compliance with numerous procedural, documentary, fee-related, and other requirements during the patent application process. Failure to meet such requirements could result in the withdrawal or expiration of a patent or application, thereby causing a partial or total reduction of patent rights in the affected jurisdiction. Potential issues include missing deadlines for responding to official actions, failure to pay requisite fees, or improper submission of required legal documents. Such occurrences could allow competitors to penetrate the market, which would potentially affect our competitive position.

If we are unable to maintain the confidentiality of our trade secrets, it could materially harm our business and competitive position. Also, we may be exposed to claims alleging that our employees have wrongfully used or disclosed trade secrets.

In addition to patents, we rely on trade secrets, unpatented know-how, and proprietary information to maintain our competitive position. The application of confidentiality and invention assignment agreements with our employees, consultants and collaborators may not effectively prevent unauthorized disclosure or misuse. Legal remedies for breaches can be costly and unpredictable, and we cannot prevent competitors from independently developing or lawfully obtaining our trade secrets. Furthermore, we face potential claims that our personnel, including senior management, have inadvertently or willfully used the intellectual property of former employers. Such allegations, regardless of merit, could lead to expensive litigation, loss of rights, or personnel disruptions. We also face risks concerning the ownership of intellectual property if assignment agreements are not properly

executed or are challenged. Any failure to protect our trade secrets or resolve ownership disputes could result in significant financial liability and the loss of critical proprietary rights, materially harming our business operations.

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

The future protection provided by our intellectual property rights is subject to significant uncertainty and may not adequately sustain our competitive advantage. Our proprietary position may be undermined if competitors develop similar technologies not covered by our patent claims, or if our patents are challenged, invalidated, or deemed unenforceable. We face risks that we or our licensors were not the first to invent or file for certain innovations, and pending applications may fail to result in issued patents. Furthermore, competitors may exploit jurisdictions where we lack protection, or we may fail to patent critical trade secrets and know-how, leaving them vulnerable to third-party claims. Our brand recognition is also at risk from trademark challenges or the adoption of confusingly similar trade names by others. Should any of these risks materialize, they could materially and adversely affect our business, financial condition, and growth prospects.

Changes in patent law could reduce the value of our patents overall, which may weaken our ability to protect our drug candidates.

Changes in patent laws or their interpretation may significantly reduce the overall value of patents, thereby limiting our ability to safeguard our drugs. Decisions by regulatory bodies such as the National People's Congress of China ("**NPC**") and the CNIPA could result in amendments to patent laws and regulations that undermine our capacity to secure new patents or enforce existing ones. Similarly, legislative reforms in jurisdictions such as the United States, coupled with recent Supreme Court decisions, have narrowed the scope of patent protections in specific instances and diminished the rights of patent holders. These developing legal landscapes introduce considerable uncertainty regarding our ability to obtain and enforce patents in the future, as well as the potential commercial value of any patents we may secure.

RISKS RELATING TO OUR MANUFACTURING PROCESS AND SUPPLY CHAIN

The manufacturing of our drugs is governed by stringent quality controls and any issues in managing this process may adversely affect our business.

The manufacturing of our drugs is a highly intricate and rigorous process, subject to stringent quality controls and regulatory requirements. Given the severe and costly consequences of drug manufacturing failure, maintaining high-quality standards is critical. However, challenges may arise during the manufacturing process due to various factors, including equipment malfunctions, human error, failure to adhere to protocols and procedures, raw material issues, software malfunctions, or unforeseen environmental factors such as natural disasters. Therefore, we cannot eliminate the risk of defects, contamination, or stability failures.

Any contamination discovered in our supply chain or at manufacturing facilities could necessitate prolonged facility closures to investigate and resolve the issue. Additionally, disruptions may occur during the introduction of new equipment or systems, or capacity expansions. As we expand into new markets, unexpected surges in demand could further strain our manufacturing capacity and exacerbate these challenges.

If we or our suppliers and logistics partners fail to meet our internal quality standards or those of the regulatory authorities, it could lead to severe consequences, including safety alerts, drug recalls, liability costs, and delays in drug approvals or certification processes. These issues could damage our reputation, hinder our commercialization efforts, and adversely impact our business.

Moreover, our manufacturing and warehousing facilities, as well as those of our suppliers and logistics partners, are vulnerable to damage from natural disasters, such as earthquakes, hurricanes, fires, or other catastrophic events. Such incidents could significantly disrupt our operations and have a material adverse effect on our business and financial performance.

Our ability to obtain quality raw materials could be affected by price fluctuations and supply interruptions.

Our drug manufacturing depends on a stable supply of critical raw materials, including peptide APIs, excipients, and packaging materials, sourced from a pre-screened list of qualified suppliers. During the Track Record Period, the raw materials we purchased and consumed for our drug candidates amounting to RMB7.4 million, RMB8.4 million and RMB5.7 million in 2024, 2025 and the six months ended June 30, 2026, respectively, accounting for 9.2%, 14.6% and 23.4% of our research and development expenses in the respective year or periods. These materials may not be consistently available and may be not cost-effective. Supply chains remain vulnerable to market fluctuations, geopolitical uncertainties, natural disasters, and customs delays for imported components. Furthermore, the high regulatory standards of the pharmaceutical industry may cause suppliers to cease operations or face financial instability. Transitioning to alternative sources is often time-consuming and costly, as it frequently requires internal validation and regulatory approvals. Any significant supply interruptions or price increases could escalate production costs, delay manufacturing timelines, and materially and adversely affect our business, financial condition, and results of operations.

The manufacturing facilities are vulnerable to various risks that could disrupt production, causing potential damage or destruction that would be difficult and costly to replace or transfer.

Our production facilities in Jiangyin, Jiangsu Province, include a dedicated, GMP-compliant line for our Core Product, PL-5, which is prepared for immediate commercial operation upon regulatory approval. As our R&D advances, we may expand manufacturing capacity to meet evolving requirements; however, such growth is subject to risks including construction delays, cost overruns, and the challenges of scaling complex formulations while maintaining stringent quality control. Our operations remain dependent on continuous regulatory compliance, and any failure to pass inspections could result in sanctions, recalls, or marketing delays. Furthermore, our facilities are vulnerable to disruptions from natural disasters, equipment failures, or power outages, which could hinder drug supply and clinical trials due to the difficulties of rapidly transferring production to third parties. Any inability to align capacity with market demand may lead to operational inefficiencies and material adverse effects on our financial condition and growth prospects.

We may face potential legal and liability risks from lawsuits and claims related to our drugs, which may adversely impact our business and financial condition.

We face substantial exposure to product liability claims arising from the clinical development and commercialization of our drug candidates. Such claims, whether alleging design or manufacturing defects, failure to warn, or negligence, could result in significant monetary damages, regulatory investigations, and the withdrawal of clinical trial participants. Litigations may divert critical management resources and inflict lasting reputation damage, thereby reducing market demand and hindering our ability to launch new products. While we maintain clinical trial insurance in China, our coverage may be limited by exclusions or insufficient to meet potential liabilities. If we are unable to secure adequate indemnification or if liabilities exceed our policy limits, our financial stability, results of operations, and commercial prospects could be materially and adversely affected.

RISKS RELATING TO OUR FINANCIAL POSITION AND NEED FOR ADDITIONAL CAPITAL

We have consistently incurred significant net losses since our inception and expect to continue incurring net losses for the foreseeable future.

Throughout the Track Record Period, we incurred substantial losses mainly due to R&D expenses, and administrative expenses associated with our ongoing operations. For example, in 2024, 2025 and the six months ended June 30, 2026, we incurred R&D expenses of RMB80.7 million, RMB57.2 million and RMB24.4 million, respectively, with costs primarily driven by our extensive R&D activities and the operational expenses necessary to sustain our business. Such losses are expected to continue in the near future and may increase as we advance the development of our drug candidates, seek regulatory approval and pursue commercialization efforts.

As an innovation-driven biotechnology company, we have not yet generated revenue from our primary business. The development of our drug candidates, including our AMP drugs, requires substantial upfront capital and entails significant risks, such as potential failure in clinical trials,

inability to secure regulatory approvals, or lack of market acceptance. The scale of our future net losses will depend on the complexity of our development plans, commercialization costs, and our ability to generate revenue. Even if we achieve profitability, we may be unable to sustain it due to unforeseen expenses, clinical setbacks, regulatory delays, or rising operational costs. Failure to achieve or maintain profitability could diminish our corporate value, impair our ability to raise capital or sustain R&D activities, and lead to significant losses for investors.

During the Track Record Period, we had net liabilities and net current liabilities, which could expose us to liquidity risks.

Our net liabilities increased from RMB587.9 million as of December 31, 2024 to RMB735.2 million as of December 31, 2025, and further increased to RMB818.9 million as of June 30, 2026. Our net current liabilities increased from RMB763.0 million as of December 31, 2024 to RMB874.9 million as of December 31, 2025, and further increased to RMB974.2 million as of June 30, 2026. Therefore, there can be no assurance that we will not continue to experience net liabilities and/or net current liabilities in the future. A prolonged net liabilities or net current liabilities position may restrict our financial and operational flexibility, increase our liquidity risk, and adversely affect our ability to execute business expansion plans. If we fail to generate sufficient operating cash flow to meet our financial obligations, we may need to seek additional external financing, which may not always be available on favorable terms or at all. Any inability to secure necessary funding could materially and adversely impact our business, financial condition, and future growth.

Our financial performance and operating results are subject to fluctuations driven by factors such as clinical trial progress, regulatory outcomes, market demand, economic trends, and competition, potentially impacting our valuation.

Our financial performance and operational outcomes are subject to substantial fluctuations due to factors often beyond our control. These include the timing and outcomes of clinical trials, shifts in the competitive landscape, particularly as major pharmaceutical firms face "patent cliffs" and seek aggressive acquisitions, and our ability to recruit participants efficiently using emerging digital and AI-driven enrollment tools. We also face variability in R&D expenses, the challenge of a "barbell" talent market where specialist skills are in high demand, and the risk that market demand for our drug candidates may not align with our commercialization timelines. Furthermore, evolving economic conditions and new accounting standards, such as the 2026 updates to diluted earnings per share reporting, could materially affect our reported financial results.

Our intangible assets may be subject to impairment in the future, which could impact our financial condition.

The valuation of our intangible assets relies on key assumptions determined by our management. If these assumptions fail to materialize or if our business performance deviates from these expectations, the value of our intangible assets could be significantly reduced, potentially resulting in substantial impairment losses. For details regarding our impairment policies for intangible assets, refer to Note 2.3 "Material Accounting Policies — Intangible assets (other than goodwill)" in the Accountants' Report in Appendix I to this Document.

During the Track Record Period, we experienced net cash outflows from operating activities. There can be no assurance that we will be able to secure additional financing to sustain our operations.

We are a bio-technology company with significant ongoing cash requirements for R&D, clinical trials, and manufacturing expansion. Since inception, we have incurred substantial operating losses and negative cash flows, which we expect to continue for the foreseeable future. Our current cash and cash equivalents may be insufficient to fund our long-term global development and commercialization goals. Consequently, our ability to continue operations depends on securing additional funding through equity or debt financing, collaborations, or licensing arrangements. In the current 2026 financing environment, capital has become increasingly selective, prioritizing assets with clear clinical validation. Any inability to obtain necessary funding on favorable terms could force us to delay, scale back, or terminate key research programs, materially harming our business and long-term competitiveness.

Due to our significant investment in R&D, our profitability and operating cash flows may be affected in the short run, and we may not achieve the anticipated results.

Due to our substantial R&D spending, we have incurred significant operating cash outflows during the Track Record Period. Our net cash used in operating activities amounted to RMB92.9 million, RMB73.0 million and RMB40.8 million in 2024, 2025 and the six months ended June 30, 2026, respectively. Except for PL-5 which received NDA approval from the NMPA in June 2026, we have no drugs at the commercial stage as of June 30, 2026. Therefore, we may not be able to generate positive operating cash flows in the future. If we continue to experience negative cash flows, our liquidity and financial condition may be materially and adversely affected.

Our existing cash and cash equivalents may be insufficient to fund our full suite of R&D projects and clinical trials through to commercialization. As a result, we may require additional capital through public or private equity, debt financing, or strategic partnerships. In the current market, while interest rates have moderated, the funding environment remains highly selective, prioritizing companies with clear clinical validation. There is no assurance that we will secure necessary funding on favorable terms, or at all. Any inability to raise capital when needed could force us to delay or discontinue key programs, hindering our technological progress. Furthermore, future equity offerings would likely result in dilution for existing shareholders and may be subject to volatile market conditions.

Fair value changes and associated credit risk related to our financial assets and liabilities at FVTPL could adversely impact our financial condition, results of operations, and prospects.

During the Track Record Period, we engaged in various financial activities involving the acquisition of financial assets and the issuance of financial liabilities, which were subject to fair value measurements and potential volatility. For details on the critical judgments, assumptions, and valuation methodologies applied, see Note 2.3 of the Accountant's Report in Appendix I to this Document.

We may seek additional funding, which could dilute Shareholders' ownership.

We may obtain additional funding through various means, including equity issuances, debt financing, partnerships, and licensing agreements. Raising capital through the sale of equity or convertible debt instruments could dilute Shareholders' ownership interests, and such transactions may involve terms granting liquidation or other preferences that could negatively impact Shareholders' rights. Furthermore, incurring additional debt or issuing certain types of equity securities may increase our fixed payment obligations and impose restrictive covenants, such as limitations on further debt or equity issuance, restrictions on acquiring or licensing intellectual property, or other operational constraints that could hinder our business activities.

Rising finance costs on borrowings could negatively impact our business expansion.

As of June 30, 2026, we have no interest bearing bank borrowing. To strengthen our liquidity position in the future, we may explore bank and other borrowing options to support our business operations. As bank borrowings may become a key source of funding for our future business expansion, we anticipate that this could lead to a significant increase in finance costs. Furthermore, any rise in interest rates on our borrowings would heighten finance costs and narrow our interest margin. Consequently, a higher level of interest-bearing liabilities could materially and adversely impact our business expansion plans and growth prospects.

Employee Incentive Scheme could dilute the shareholding of our existing Shareholders.

We have adopted an Employee Incentive Scheme to align the interests of our personnel with those of us. However, the issuance of additional Shares under future schemes may dilute existing shareholdings and reduce our earnings-per-share. Furthermore, the recognition of share-based compensation expenses will increase our operating costs and may adversely affect our reported profitability. Moreover, any future grants will result in dilution and could suppress the market value of our H Shares. **[REDACTED]** should consider that the ongoing use of equity incentives, while vital for competitiveness, creates a recurring non-cash expense that impacts our financial performance.

RISKS RELATING TO GOVERNMENT REGULATIONS

The research, development, and commercialization of our pipeline drugs are heavily regulated in all key aspects, and changes in regulations within the pharmaceutical industry could affect our drugs.

Our research, development, and commercialization activities are subject to detailed regulations in the jurisdictions in which we operate. We also plan to expand our efforts to international markets through licensing collaboration. While these regions employ broadly similar regulatory frameworks governing the development, approval, manufacturing, marketing, and distribution of pharmaceuticals, variations in their regulatory regimes create significant complexity and additional costs for companies like ours seeking to commercialize drugs across multiple jurisdictions.

Obtaining regulatory approvals and ensuring compliance with applicable laws and regulations require substantial time, effort, and financial investment. Regulatory authorities, such as the NMPA, or equivalent bodies, may demand additional information, including further preclinical or clinical data, which could delay or impede drug approval and commercialization. Even if approval is granted, it may be for narrower indications than originally sought, or it may be subject to conditions such as costly post-marketing studies or restrictions that could hinder the commercial success of the drug. Additionally, legislative and regulatory changes may impose further compliance requirements, potentially affecting our timelines, costs, and overall commercialization strategy.

We may face challenges or delays in obtaining necessary regulatory approvals for our pipeline drugs.

The drug development and approval process is extensive, costly, and subject to significant uncertainty. In China, we must demonstrate safety and efficacy through clinical trials and meet stringent manufacturing standards to secure NMPA approval. The approval timeline is unpredictable, and regulators maintain broad discretion over our submissions. Candidates may fail due to primary endpoint failures, data integrity issues, or disagreements with authorities regarding data interpretation. Furthermore, securing approval in China does not guarantee success in foreign jurisdictions, which often impose varying requirements necessitating additional costly studies. Any failure to obtain or maintain regulatory approvals, or the imposition of restrictive labels and post-market obligations, would severely limit our market potential and ability to fund future development.

Any safety issue regarding our pipeline drugs could interrupt or delay clinical trials, hold up regulatory approval, restrict how we can market an approved drug, or lead to serious problems after approval.

Serious adverse events or undesirable outcomes related to our drug candidates could result in significant delays, interruptions, or the termination of clinical trials by regulatory authorities. Such events may hinder patient recruitment, lead to narrowed indications, or result in the denial of marketing approval. Should safety issues arise post-approval, we may face mandatory recalls, suspension of marketing, or the withdrawal of regulatory licenses. Additionally, we could be required to implement more stringent risk mitigation measures or conduct further clinical trials. Such outcomes would likely lead to regulatory investigations, substantial drug liability claims, and a significant reduction in market demand, materially harming our reputation and financial condition. These scenarios could undermine market acceptance of our drugs, severely damage our reputation, and adversely affect our business and financial condition.

Our drug candidates and future commercialized drugs are subject to ongoing regulatory requirements, which could increase compliance burdens and costs.

Our pipeline drugs will be subject to ongoing regulatory requirements and stringent manufacturing standards set by the NMPA, the FDA, and other global authorities. We will face continuous monitoring and inspections to verify our adherence to applicable laws and regulatory commitments, necessitating significant investment in compliance resources. Regulatory approvals may be granted with limitations on marketed indications or be contingent upon costly post-market obligations and safety testing. Furthermore, strict regulations govern the marketing and labeling of approved drugs; any found violation, particularly regarding prohibited off-label promotion, could result in significant liability and hinder the commercial potential of our products.

Failure to comply with ongoing regulatory requirements or the emergence of post-market safety issues may lead to severe penalties, including the withdrawal of marketing approval. Regulators may mandate additional clinical trials, revised labeling with new safety warnings, or restrictive distribution protocols. Further consequences could include product recalls, fines, warning letters, the suspension of clinical trials, and the denial of pending applications. In extreme cases, we may face the seizure of products or civil and criminal penalties. Given the evolving nature of legislation and regulatory standards, increased compliance burdens could limit our market access and jeopardize our long-term profitability.

The regulatory framework for AMP drugs and our other drug candidates may increase development costs and barriers, impacting our business, while reduced legal requirements could heighten competition and weaken our market advantages.

We are a technology-driven peptide therapeutics company, focusing on four core therapeutic areas—anti-infectives, metabolic diseases, oncology, and autoimmune diseases. These areas require strict regulations to govern drug design and development, clinical trials, pre-market clearance, authorization, and approval, as well as marketing, sales, and distribution. Maintaining compliance with these complex and dynamic requirements is highly technical and resource-intensive, demanding substantial management attention and financial investment. Any tightening of regulatory demands could increase development costs and barriers, adversely affecting our business operations, financial performance, and growth prospects. Conversely, a relaxation of regulatory requirements could intensify competition, enabling rivals to introduce AMP drugs that may claim to be superior to ours.

Any failure to comply with the PRC regulations regarding contribution of social insurance premium or housing provident funds may subject us to fines and other legal or administrative measures.

According to the Social Insurance Law of the PRC, the Regulations on Management of Housing Provident Fund and other applicable PRC regulations, any employer operating in China must contribute social insurance premium and housing provident funds for its employees. Any failure to make timely and adequate contribution of social insurance premium or housing provident funds for its employees may trigger an order of correction from competent authority requiring the employer to make up the full contribution of such overdue social insurance premium or housing provident funds within a specified period of time, otherwise the competent authority may further impose fines or penalties. We make contributions of social insurance premiums for our employees to provide for retirement, medical, work-related injury, maternity and unemployment benefits, as well as the housing provident funds. During the Track Record Period, we were not in strict compliance with the requisite contribution requirements in relation to some of our PRC employees, which was primarily attributable to our employees' unwillingness to bear the costs associated with social insurance and housing provident funds strictly in proportion to their salaries, as it would reduce their disposable income.

As of the Latest Practicable Date, we had not received any order of correction or any fines or penalties from the competent authority as a result of any such failure. We have consulted relevant competent social insurance and housing provident fund authorities, confirming that there is no record of any member of our Group that hires employees being imposed administrative penalties by the relevant authorities for violation of the relevant laws and regulations. However, we cannot assure you that the competent authority will not require us to rectify any non-compliance by making contribution of overdue social insurance premium or housing provident funds or to pay any overdue fine or penalty related thereto.

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.

We intend to seek approval to market our drug candidates primarily in China. In China, the pricing of drugs and biologics is subject to governmental control, which can take considerable time even after obtaining regulatory approval. Our ability to commercialize any approved drug candidates successfully will also be influenced by the extent to which reimbursement for these drugs and related treatments will be available from government health administration authorities, private health insurers and other organizations. In China, the National Reimbursement Drug List (the "**NRDL**") determines a

pharmaceutical product's reimbursable amounts for program participants under the National Medical Insurance Program (the "**NMIP**"). Under the NMIP, patients are entitled to full or partial reimbursement of costs for pharmaceutical products listed in the NRDL. A pharmaceutical product's inclusion in or exclusion from the NRDL will significantly affect the demand for such product in China. There is no assurance that any of our future approved drug candidates will be included in the NRDL. The inclusion of pharmaceutical products by relevant authorities into the NRDL is based on a variety of factors and innovative drugs similar to our drug candidates have historically been more limited on their inclusion therein due to the affordability of the government's Basic Medical Insurance Program. In addition, the PRC government has implemented significant reforms of the pharmaceutical industry in recent years and may enforce additional measures in the future, which may adversely affect our pricing strategy for our pharmaceutical products.

Changes in the drug regulatory policies, approval standards, and regulatory landscapes of the relevant jurisdictions may have a material adverse effect on the development progress, approval timelines, and future commercialization of our drug candidates.

Our business operations and drug development involve conducting clinical trials and regulatory approval procedures in the PRC and the U.S. In February 2026, the FDA shifted its new drug approval standard from requiring two confirmatory trials to a single well-controlled trial backed by confirmatory evidence. The practical application and specific evidence requirements of this policy remain uncertain. While we have successfully initiated Phase II trials for PL-5 in the U.S. for the treatment of diabetic foot infection and received FDA's approval to initiate Phase II trials for PL-18 and Phase I trials for PL-3301 in the U.S., any adverse shifts in FDA review practices or efficiency could necessitate trial protocol amendments, extend review cycles, or require additional data, thereby increasing our R&D costs and delaying U.S. commercialization.

Our PRC operations are strictly regulated by the NMPA. The evolving National Healthcare Security Administration (NHSA) policies, including National Reimbursement Drug List ("**NRDL**") adjustments, may restrict our market access strategies, pricing levels, and commercial returns. Failure to make timely adaptation to these regulatory and reimbursement changes may materially and adversely affect our business, financial condition, and results of operations.

Recent fluctuations in the U.S. healthcare policies and regulatory environment may adversely affect our future clinical trials, as well as further drug development and commercialization activities in the U.S.

The recent developments in the U.S. regulatory landscape, including leadership changes at the U.S. Food and Drug Administration ("**FDA**"), such as the resignation of the former FDA Commissioner Makary on May 12, 2026, which may result in a transition in regulatory priorities and create uncertainties regarding future regulatory directions and approval efficiency, especially for our Core Product.

On April 29, 2026, relevant subcommittees of the U.S. House of Representatives introduced a bill, namely Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2027 (H.R.8646), that proposes to bar the FDA from accepting clinical data obtained from Chinese Mainland and other regions during the review of new drug applications. While the bill has not been enacted into law yet, it may prompt the FDA to tighten review requirements and extend review timelines. Should such proposal be enacted or similar policies be adopted, it may affect the acceptability of clinical data generated in the Chinese Mainland in regulatory submissions in the United States and disrupt our existing overseas expansion model, potentially increasing R&D costs, prolonging project cycles and creating greater challenges for cross-border collaboration on our product pipeline, for instance our Core Product. The combined impact of policy and personnel changes may affect our clinical trials, research and development and commercialization activities in the U.S.

In addition, we or our business partners, including our CDMOs, may be adversely affected by, or become subject to restrictions under, the recently enacted BIOSECURE Act, which restricts certain U.S. federal procurement, contracting and funding activities involving biotechnology companies designated as companies of concern. If we or any of our business partners were designated as a "biotechnology company of concern," our ability to conduct business with the U.S. government or related

counterparties could be limited. Any resulting need to replace a business partner could delay product development and materially and adversely affect our business, financial condition and results of operations.

We are subject to evolving privacy and data protection laws, and any failure to meet these requirements may increase operational risks and costs.

We are subject to increasingly stringent privacy and data protection laws, particularly in China. These include the Data Security Law, the Cybersecurity Law, and the Personal Information Protection Law (PIPL) of the PRC, which impose rigorous obligations on the collection, storage, and transfer of sensitive medical and personal data. Any failure, by us or our third-party collaborators such as CROs and hospitals, to safeguard data could trigger severe enforcement actions, including fines, public censure, or criminal penalties for officers. Furthermore, as regulatory interpretations evolve, we may face increased compliance costs or restrictions on data processing that could materially and adversely affect our R&D activities and financial performance.

RISKS RELATING TO OUR GENERAL OPERATIONS

Our historical operating and financial results may not reflect our future performance.

Our historical financial results may not serve as a reliable indicator of future performance, as our past revenue was derived solely from daily-care products. Our core business has shifted toward the R&D and commercialization of innovative AMP therapeutics — a model that differs fundamentally in terms of regulatory requirements, capital intensity, and cost structure. Future profitability depends almost exclusively on the clinical and commercial success of our drug candidates. The inherent uncertainties of the development cycle, including the need for NMPA marketing authorizations and effective market adoption, mean that any failure or delay in our pipeline could materially and adversely affect our financial prospects.

Loss of key personnel or the inability to hire qualified staff could disrupt drug development and commercialization.

Our success depends significantly on the continued service of our senior management and specialized R&D teams. While we have formal employment agreements and key-person insurance, these do not guarantee long-term retention. We face intense competition for a limited pool of qualified pharmaceutical professionals from both industry competitors and academic institutions. The loss of key personnel or consultants could disrupt our clinical development and commercialization timelines. We utilize equity incentives to encourage retention, but their effectiveness is subject to market fluctuations. Any inability to attract, integrate, or retain high-caliber talent on acceptable terms could impair our operational efficiency and ability to execute our long-term growth strategies.

With limited operating history and minimal experience in manufacturing and marketing, we face uncertainties for further expansion.

Our inability to manage rapid growth and strategic expansion could harm our business. To achieve our R&D and commercialization targets, we must successfully scale our workforce and infrastructure while adapting to regional market variations. This growth imposes significant responsibilities on management, including the integration of new personnel and the enhancement of financial and operational controls. Failure to address these challenges or fulfill our regulatory and contractual obligations during expansion could lead to operational inefficiencies and the diversion of management resources. Such difficulties may prevent us from realizing our strategic goals and adversely impact our financial condition.

Our business is significantly influenced by economic, political, legal, and social conditions in the jurisdictions in which we operate, and any changes in government policies, economic growth, or regulatory measures could adversely impact our financial performance.

Our performance is significantly influenced by the economic and political environment in China. The Chinese pharmaceutical industry is subject to comprehensive and evolving regulations governing drug approval, manufacturing, and marketing. Future regulatory changes may increase compliance costs or obstruct the commercialization of our products. While China has experienced significant economic

growth, such growth remains uneven. Government policies regarding resource distribution, capital investment controls, or tax regulations, intended to manage the broader economy, could adversely affect our financial condition. Furthermore, shifts in economic policies, such as interest rate adjustments, may dampen market activity and hinder our strategic execution.

Failure to effectively expand internationally and manage associated risks, which may adversely affect our business prospects.

We aim to expand globally through overseas licensing and potential direct commercialization in markets such as the United States. However, our limited international experience exposes us to significant uncertainties, including navigating complex regulatory frameworks (such as the FDA) that differ from the PRC. International expansion entails higher development costs, dependency on overseas partners, and exposure to foreign drug liability claims. Furthermore, our operations may be impacted by geopolitical disruptions, including trade conflicts and tightening foreign investment restrictions. As of 2026, the U.S. has introduced more stringent oversight for foreign-linked biotech firms, which could prolong approval timelines or limit our ability to secure federal contracts. Any failure to manage these multi-jurisdictional risks could materially and adversely affect our business prospects and sustainable profitability.

Our success may partially depend on relationships with key physicians and doctors, crucial for our clinical development.

Our success depends significantly on maintaining strong collaborations with leading hospitals and key opinion leaders (KOLs) within relevant therapeutic areas. We rely on these experts as clinical advisors and trainers to support drug promotion and clinical adoption. Through academic seminars and workshops, we educate healthcare providers on the efficacy and safety profiles of our products. Given the influence of these experts on prescribing behavior and clinical practice, any deterioration in these relationships or failure to cultivate new partnerships could hinder our market penetration and sales growth, materially and adversely impacting our business and results of operations.

We may not be able to effectively manage our distributors or maintain relationships with our network of distributors.

Our daily-care products business relies on a network of independent third-party distributors, over whom we have limited control. As of December 31, 2024, December 31, 2025 and June 30, 2026, we had 123, 86 and 97 distributors in sales of daily-care products in China, respectively. In 2024, 2025 and the six months ended June 30, 2026, revenue generated from sales to our distributors amounted to RMB3.6 million, RMB1.9 million and RMB0.7 million, respectively, which accounted for 69.7%, 57.3% and 31.4% of our total revenue for the respective periods. For details, please see "Business — Sales and Marketing — Sales — Distributors." However, we have relatively limited control over our distributors, who may fail to distribute our drugs in the manner we contemplate. There is no assurance that distributors collaborating with us to deliver and promote our drugs will continue their arrangements with us on favorable terms or at all. Termination of these relationships or unfavorable changes in terms may negatively affect our operations and revenue.

Our operational performance depends on maintaining effective distribution channels and ensuring timely payment collection. To prevent "channel-stuffing" and artificially inflated sales, we maintain strict product return policies and monitor distributor inventory levels. While we experienced no material returns during the Track Record Period, our distributors may not consistently adhere to our policies in the future. Any failure to manage our distribution network effectively may impair our ability to accurately assess market demand and lead to significant financial and reputation damage.

We may be subject to risks associated with legal disputes or litigation involving our directors, senior management, or employees.

We may have disputes with our directors, senior management, or employees. Disagreements regarding compensation, authority, or contract termination could lead to litigation that diverts management's attention and disrupts daily operations. Such disputes may result in substantial legal fees, settlements, and reputational harm, as they may be perceived as a sign of internal instability. Furthermore, since our subsidiaries operate in various jurisdictions, we face the added complexity of cross-border legal proceedings and uncertainties regarding the enforcement of foreign judgments.

We may not succeed in our business strategy of growth.

Following the **[REDACTED]**, we may pursue acquisitions, joint ventures, and strategic alliances to enhance our competitiveness. The success of these initiatives depends on our ability to identify, negotiate, and integrate suitable opportunities while securing necessary financing and regulatory approvals. Realizing such opportunities involves significant risks, including challenges in harmonizing quality control, financial management, and internal systems. Expanding our operational scope may also strain our management and quality assurance programs. Any failure to effectively integrate new businesses or personnel could prevent us from realizing anticipated benefits and adversely affect our business performance.

We may undertake investment activities comprising acquisitions, minority strategic equity investments, or licensing transactions that may not be successful, which could expose us to significant financial risks, valuation uncertainties and integration risks.

As part of our growth strategy, we may undertake potential acquisitions, strategic equity investments, or licensing activities that align with our growth strategies, including licensing or acquiring complementary products, intellectual property rights, technologies or businesses. However, executing this strategy involves significant uncertainties and inherent risks, including but not limited to financial risks, valuation risks and integration risks. Pursuing acquisitions or licensing investment activities may increase our operating expenses and cause us to incur debt. Our future acquisition and strategic investment activities may also expose us to significant valuation risk, as we may be required to pay consideration based on assumptions and forward-looking projections that may not materialize, and any subsequent changes in market conditions, business performance or integration outcomes could cause them to decline in value below the total consideration paid. We may also overpay during licensing activities due to the complexity in valuing intangible assets such as intellectual property rights and technical know-how. Future acquisitions and the subsequent integration of new assets and businesses into our own would also require significant attention from our management as well and could result in a diversion of resources from our existing business, which in turn could adversely affect our business. Furthermore, integrating acquired businesses, personnel, or external technologies into our independently developed core platforms entails substantial operational challenges.

Therefore, there is no assurance that any investment activity will yield the anticipated clinical milestones, synergies, or commercial efficiencies. If we fail to successfully integrate acquired assets or if they underperform, we may be required to record significant impairment charges, which may adversely affect our financial condition and operating results.

We may be subject to risks relating to leased properties.

As of the Latest Practicable Date, we leased three properties in the PRC with an aggregate gross floor area of approximately 2,012.8 sq.m. Our leased properties are used as our R&D, office, and manufacturing sites. Upon the expiration of these leases, we may need to renegotiate terms and could be subject to increased rental costs. There is no assurance that we will successfully renew our leases on terms favorable or acceptable to us at all. We may need to secure alternative locations and incur relocation costs, potentially disrupting or suspending our operations.

If we face litigation, legal disputes, government investigations, or administrative actions, our management's focus could be shifted, leading to significant costs and liabilities for us.

We may become involved in litigation, contractual disputes, or administrative proceedings arising from our ordinary business activities, including matters related to drug liability, intellectual property, employment, and environmental issues. Such disputes — whether involving suppliers, partners, or other third parties — could divert management's attention and necessitate significant legal expenditures. Unfavorable outcomes, including substantial damage awards or settlements, may require us to suspend certain business initiatives or assume significant liabilities. Furthermore, any associated negative publicity could tarnish our reputation and brand image, materially affecting our financial condition and results of operations.

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

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

Non-PRC resident individual shareholders are generally subject to a 20% withholding tax on China-sourced dividends and capital gains under the PRC Individual Income Tax (IIT) Law. However, pursuant to Cai Shui Zi [1994] No. 020 and Cai Shui Zi [1998] No. 61, such individuals are currently exempt from IIT on dividends from foreign-invested enterprises and gains from the transfer of listed shares, respectively. While these exemptions remain in effect as of early 2026, they are subject to future regulatory shifts. For non-resident enterprise shareholders, a 10% withholding tax is typically applied to both dividends and capital gains under the PRC Enterprise Income Tax Law and Guo Shui Han [2008] No. 897. Eligible shareholders may seek reduced rates under applicable tax treaties, though such benefits are subject to approval by PRC tax authorities.

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

Negative publicity and allegations against us or our associates can damage our reputation and business, potentially leading to costly responses that may not satisfy investors or customers.

Our long-term success depends on establishing brand recognition through the safety and efficacy of our drugs and the quality of our medical engagement. We must secure adoption by specialists who often rely on established therapies with decades of clinical data. In a shifting 2026 landscape where traditional marketing is less effective, our failure to provide robust real-world evidence or to execute evidence-led digital strategies could hinder market penetration. Any deterioration in our brand image, whether due to lack of hospital acceptance, drug defects, regulatory scrutiny, or liability claims, could materially disrupt our ability to compete with larger, more established pharmaceutical companies.

Negative publicity regarding our AMP drugs, leadership, or affiliates could significantly hinder market acceptance and erode trust among patients and medical institutions. Our success relies on maintaining a positive reputation and securing reimbursement; bad press, privacy concerns, or regulatory investigations involving our stakeholders could damage our brand and sales. Addressing these issues consumes substantial resources and may still result in material harm to our business.

Our insurance coverage may not completely cover the risks relating to our business and operations.

Our activities involve inherent hazards and risks associated with research, development, and manufacturing, which may lead to personal injury or property damage. We maintain various insurance policies, including clinical trial insurance, but such coverage may be insufficient to account for all potential losses or liabilities. For details, please see "Business — Insurance." If these risks materialize and exceed our insurance limits, the resulting financial impact could materially and adversely affect our business and results of operations.

We are exposed to risks from disruptive events beyond our control.

Our business and financial condition could be severely harmed by force majeure events beyond our control, such as natural disasters, pandemics, or social unrest. These events may materially disrupt our operations and supply chains. Furthermore, any recurrence could damage the regional economy and infrastructure, negatively impacting our long-term plans and performance.

RISKS RELATING TO THE [REDACTED]

No public market currently exists for our H Shares, and an active [REDACTED] for our H Shares may not develop, especially taking into account that certain of our existing shareholders may be subject to a lock-up period.

No public market currently exists for our H Shares. The initial **[REDACTED]** for our H Shares to **[REDACTED]** will be the result of our negotiations with the **[REDACTED]** (for itself and on behalf of the **[REDACTED]**) and the **[REDACTED]** may differ significantly from the **[REDACTED]** of the H Shares following the **[REDACTED]**. While we have applied for our H Shares to be **[REDACTED]** on the Stock Exchange, a **[REDACTED]** does not guarantee the development or sustainability of an active and liquid **[REDACTED]**. The **[REDACTED]** of our H Shares may decline following the **[REDACTED]** due to factors beyond our control. Notably, a significant portion of our H Shares will be subject to lock-up restrictions from the **[REDACTED]**, which may constrain trading volume and liquidity in the short term. The presence of these restrictions, combined with the inherent volatility of the innovative pharmaceutical sector in 2026, means that even if a **[REDACTED]** develops, it may not be sustained, and the market price may not reflect our long-term intrinsic value.

You may face immediate dilution and market pressure.

You may face immediate financial dilution because the **[REDACTED]** exceeds the book value of our shares. Your ownership percentage may decrease further if we issue additional shares later. Furthermore, if large blocks of shares are sold in the future (or if the market expects them to be), our stock price may drop, making it harder for us to raise funds.

Our Single Largest Group of Shareholders could exert significant influence over our Company and might not act in the best interests of minority Shareholders.

Our Single Largest Group of Shareholders collectively has significant influence in determining the outcome of any corporate transaction or other matter submitted to the Shareholders for approval, including but not limited to mergers, privatizations, consolidations, and the sale of all, or substantially all, of our assets, election of directors, and other significant corporate actions. Immediately following the completion of the Share Subdivision and the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), our Single Largest Group of Shareholders will be entitled to control in aggregate approximately **[REDACTED]**% of our total issued share capital and thus remain as a group of Single Largest Group of Shareholders upon **[REDACTED]**. The interests of our Single Largest Group of Shareholders might differ from the interests of our other Shareholders. In the event that our Single Largest Group of Shareholders causes us to pursue strategic objectives that conflict with the interests of our other Shareholders, our other Shareholders could be disadvantaged, and their interests could be damaged. Any conflict of interest between our Single Largest Group of Shareholders and our other Shareholders may also materially and adversely affect aspects such as the decision and implementation of our business plans, which may, in turn, affect our operations and prospects.

Because we do not expect to pay dividends in the foreseeable future after the [REDACTED], you must rely on price appreciation of our H Shares for a return on your [REDACTED].

Our ability to pay dividends depends on generating sufficient earnings. Whether we declare dividends will be subject to shareholder approval and various factors, including financial performance, legal requirements (PRC and Hong Kong), and capital needs. Consequently, there is no guarantee regarding the timing, amount, or certainty of future dividend payments.

There is no guarantee about the continued [REDACTED] of the Shares on the Stock Exchange.

We may fail to maintain our **[REDACTED]** on the Stock Exchange. Failure to meet Stock Exchange requirements could result in **[REDACTED]**. If this occurs, you would be unable to trade our shares on the secondary market, making it difficult to realize the value of your **[REDACTED]**.

Any possible conversion of our Unlisted Shares into H Shares in the future could increase the number of our H Shares in the market and negatively impact the [REDACTED] of our H Shares.

Our Unlisted Shares may be converted into H Shares through the "Full Circulation" process, potentially increasing the supply and impacting the **[REDACTED]** of our H Shares. While these shares rank pari passu with existing H Shares, they are subject to a statutory one-year lock-up period under the PRC Company Law following our **[REDACTED]**. Furthermore, any conversion requires mandatory filing with the CSRC and the approval of the Hong Kong Stock Exchange. The introduction of a significant volume of previously unlisted equity into the public market after the expiry of the lock-up period may lead to perceived or actual selling pressure, which could adversely affect the prevailing market price and our ability to raise future capital.

We cannot make fundamental changes to our business without the consent of the Stock Exchange.

As a company **[REDACTED]** under Chapter 18A, we are subject to specific continuing obligations that restrict our ability to pivot our core business. Without the prior consent of the Stock Exchange, we are prohibited from effecting any transaction, including acquisitions or disposals, that would result in a fundamental change to our principal business activities as disclosed in this Document. These restrictions may prevent us from pursuing certain strategic opportunities or adapting to rapid market shifts. If unlisted competitors or those listed on other exchanges are able to capitalize on such opportunities while we are constrained by regulatory requirements, we may face a competitive disadvantage, potentially harming our long-term growth and operational results.

There is no guarantee about the accuracy and reliability of facts, forecasts, and statistics obtained from various government publications in this Document.

We rely on government data to provide context for our market position. This information is based on estimates and research methodologies that are beyond our control. The information from official government sources has not been independently verified by us, the Sole Sponsor, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]** nor our or their respective affiliates and advisers, or any other party involved in the **[REDACTED]**, and no representation is given as to its accuracy.

You should read the entire Document carefully to make your [REDACTED] decision, 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 disclaim responsibility for any media coverage or financial projections regarding the **[REDACTED]** published prior to this Document. We did not authorize such information and make no representations regarding its accuracy. In the event of conflicting information, you should rely solely on the contents of this Document.

Forward-looking statements contained in this Document are based on certain assumptions and are subject to risks and uncertainties.

This Document contains forward-looking statements regarding our future plans and strategies, identified by terms such as "expect," "will," and "intend." These are estimates based on management's judgment and are subject to risks, detailed in the "Risk Factors" section, that could cause actual results to differ materially. These statements are not guarantees of future performance, and **[REDACTED]** should not place undue reliance on them.

We have no experience of operating as a [REDACTED] company.

We lack experience operating as a **[REDACTED]** company, which entails significant administrative costs and compliance burdens. Our management must acquire new regulatory expertise and upgrade internal controls. Failure to adapt to these demands in a timely manner could harm our operations, financial health, and market reputation.

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

WAIVER IN RELATION TO MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, an issuer must have a sufficient management presence in Hong Kong. This normally means that at least two of its executive directors must be ordinarily resident in Hong Kong. All of our executive Directors are not or will not be ordinarily resident in Hong Kong upon the proposed **[REDACTED]**. Since all our business operations are not principally located, managed or conducted in Hong Kong, and our Directors consider that the relocation of our executive Directors to Hong Kong or the appointment of additional executive Directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, our Company and therefore would not be in the best interests of our Company and our Shareholders as a whole, our Company does not, and, for the foreseeable future, will not, have two executive Directors who are ordinarily resident in Hong Kong for the purpose of satisfying the requirements under Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has] granted us, a waiver from strict compliance with Rules 8.12 and 19A.15 of the Listing Rules. We will ensure that there is an effective channel of communication between us and the Stock Exchange by way of the following arrangements:

(a) **Authorized Representatives**: both of our Company's authorized representatives, Mr. ZHANG Wendong (張文棟) and Ms. Wong Mei Fung Carrie (黃美鳳), will act as our Company's principal channels of communication with the Stock Exchange. Accordingly, the authorized representatives of our Company will be able to meet with the relevant members of the Stock Exchange on reasonable notice and will be readily contactable by telephone, facsimile and/or email.

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

Our Company has also provided contact details of the authorized representatives to the Stock Exchange and will inform the Stock Exchange promptly in respect of any change in the authorized representatives;

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

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

Each Director has also provided his/her mobile phone number, office phone number, e-mail address and, where available, fax number to the Stock Exchange and will inform the Stock Exchange promptly if there are any changes to the contact details of the Directors;

(c) **Compliance Advisor:** we have appointed Halcyon Capital Limited as our Compliance Advisor, in compliance with Rule 3A.19 of the Listing Rules, who will, among other things and in addition to the authorized representatives and our Directors, also act as an additional channel of communication with the Stock Exchange from the **[REDACTED]** to the date when our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year immediately following the **[REDACTED]**. Pursuant to the Note of Rule 3A.23, the Compliance Advisor will have access at all times to our authorized representatives, our Directors and other officers. We shall also ensure that our authorized representatives, Directors and other officers will promptly provide such

information and assistance as the Compliance Advisor may need or may reasonably require in connection with the performance of the Compliance Advisor's duties as set forth in Chapter 3A of the Listing Rules. We shall ensure that there are adequate and efficient means of communication among our Company, our authorized representatives, our Directors, and other officers and the Compliance Advisor, and will keep the Compliance Advisor fully informed of all communications and dealings between the Stock Exchange and us.

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

(d) **Legal Advisors:** we will also retain legal advisors to advise on on-going compliance requirements as well as other issues arising under the Listing Rules and other applicable laws and regulations of Hong Kong after the **[REDACTED]**.

WAIVER IN RELATION TO APPOINTMENT OF JOINT COMPANY SECRETARY

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, the company secretary of an issuer must be an individual who, by virtue of his or her 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 further provides that the Stock Exchange considers 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 further sets out the factors that the Stock Exchange will consider in assessing an individual's "relevant experience": (a) length of employment with the issuer and other issuers and the roles he or she played; (b) familiarity with the Listing Rules and other relevant law and regulations including the SFO, the Companies Ordinance, the 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.

We believe that while it is important for the company secretary to be familiar with the relevant securities regulations in Hong Kong, he or she also needs to have experience relevant to our Company's operations, a nexus to our Board and a close working relationship with our management team 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 our Company to appoint a person who has been a member of the senior management for a period of time and is familiar with our Company's business and affairs as company secretary.

We have appointed Mr. ZHANG Wendong (張文棟) and Ms. Wong Mei Fung Carrie (黃美鳳) ("**Ms. Wong**") as our joint company secretaries. Since Mr. ZHANG does not possess a qualification stipulated in Rule 3.28 of the Listing Rules, he is not able to solely fulfill the requirements as a company secretary of a listed issuer stipulated under Rules 3.28 and 8.17 of the Listing Rules. To support Mr. ZHANG, we have appointed Ms. Wong, an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute, who meets the requirements under Rules 3.28 and 8.17 of the Listing Rules, as a joint company secretary to provide assistance, for a three-year period from the **[REDACTED]** so as to enable Mr. ZHANG to acquire the relevant experience (as required under Rule 3.28(2) of the Listing Rules) to duly discharge his duties.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has] granted us, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules in relation to the appointment of Mr. ZHANG as our joint company secretary. Pursuant to paragraphs 13 and 15 of Chapter 3.10 of the Guide, such waiver has been granted on the conditions that:

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

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

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

(iv) the waiver is valid for an initial period of three years from the **[REDACTED]** on the conditions that (a) Mr. ZHANG must be assisted by Ms. Wong 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 (b) the Stock Exchange will revoke the waiver if Ms. Wong ceases to provide assistance to Mr. ZHANG during the three-year period or if there are material breaches of the Listing Rules by our Company. Prior to the end of the three-year period, the qualifications and experience of Mr. ZHANG and the need for on-going assistance of Ms. Wong will be further evaluated by our Company. The Company must demonstrate and seek the Stock Exchange's confirmation that Mr. ZHANG, having had the benefit of the assistance of Ms. Wong for the immediately preceding three years, has acquired the relevant experience (within the meaning of Note 2 to Rule 3.28 of the Listing Rules) such that a further waiver from Rules 3.28 and 8.17 of the Listing Rules will not be necessary.

For biographical information of Ms. Wong and Mr. ZHANG, see "Directors and Senior Management".

EXEMPTION FROM STRICT COMPLIANCE WITH THE REQUIREMENTS UNDER SECTION 342(1)(B) OF THE COMPANIES (WINDING UP AND MISCELLANEOUS) 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

Pursuant to section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the document must state the matters specified in Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance (the "**Third Schedule**") and set out the reports specified in Part II of the Third Schedule. Pursuant to paragraph 27 of Part I of the Third Schedule, the document must specify a statement as to the gross trading income or sales turnover (as may be appropriate) of the company during each of the three financial years immediately preceding the issue of the document including an explanation of the method used for the computation of such income or turnover and a reasonable breakdown between the more important trading activities. Pursuant to paragraph 31 of Part II of the Third Schedule, the document must set out a report by the auditors of the company with respect to (i) profits and losses of the company for each of three financial years immediately preceding the issue of the document and (ii) assets and liabilities of the company at the last date of each of the three financial years immediately preceding the issue of the document.

WAIVERS AND EXEMPTIONS

Pursuant 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 those requirements would be irrelevant or unduly burdensome, or would otherwise be unnecessary or inappropriate.

Pursuant to Rule 4.04(1) of the Listing Rules, the consolidated results of the issuer and its subsidiaries in respect of each of the three financial years immediately preceding the issue of the listing document or such shorter period as may be acceptable to the Stock Exchange must be included in the accountants' report to its document. Pursuant to Rule 18A.03(3) of the Listing Rules, a biotech company must have been in operation in its current line of business for at least two financial years prior to listing under substantially the same management. Pursuant to Rule 18A.06 of the Listing Rules, a biotech company must comply with Rule 4.04 of the Listing Rules modified so that references to "three financial years" or "three years" in Rule 4.04 shall instead reference to "two financial years" or "two years," as the case may be.

The Accountants' Report set out in Appendix I to this Document is currently prepared to cover the two years ended December 31, 2024 and 2025 and the six months ended June 30, 2026. Accordingly, we have applied to the SFC for an exemption from strict compliance with the requirements under section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule on the following grounds:

(a) our Company is primarily engaged in R&D, application and commercialization of biotech products and falls within the scope of biotech company as defined under Chapter 18A of the Listing Rules;

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

(c) as Chapter 18A of the Listing Rules provides a track record period of two years for biotech companies in terms of financial disclosure, 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 would be unduly burdensome for our Company;

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

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

The SFC [has] granted us a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance 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 on the conditions that particulars of the exemption are set out in this document and this document will be issued on or before **[REDACTED]**.

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Dr. CHEN Yuxin (陳育新)	Room 2704 No. 133 Fuyuan Street Jianye District Nanjing City Jiangsu Province China	Canadian
Mr. ZHANG Wendong (張文棟)	Room 201 Unit B Building 3 Hehai Second Village Changzhou City Jiangsu Province China	Chinese
Mr. ZHOU Peng (周鵬)	Room 401, No. 265 Phase 1, Yalan Mingyuan Jiangyin City Jiangsu Province China	Chinese
Ms. CHEN Mingxia (陳明俠)	Unit 16-206 Lingxiu Lanbo Lake Residential Complex 3333 Shengbei Street Beihu New District Changchun City Jilin Province China	Chinese
Mr. FENG Shangbin (馮尚斌)	Room 602 No. 53 Xuefangyuan Binhu District Wuxi City Jiangsu Province China	Chinese
Mr. DONG Hu (董虎)	Room 1002, Building 21 Lanbowan Apartment Taizhou City Jiangsu Province China	Chinese
Independent Non-executive Directors		
Dr. SHI Wei (施維)	Room 201, Unit 2 Building 19 701 Haiquanwan Road Ping Sha Town Zhuhai City China	Chinese

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Name	Address	Nationality
Mr. QIAN Junfeng (錢俊峰)	Room 108, Unit 4 Building 8 No. 16 Wangban Road Qixia District Nanjing City Jiangsu Province China	Chinese
Dr. XU Aimin (徐愛民)	Flat F, 16/F Block 1 Tung Chung Crescent 1 Hing Tung Street Tung Chung Lantau Island Hong Kong	Hong Kong

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor

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

[REDACTED]

Legal Advisors to our Company

As to Hong Kong and U.S. law:
Jia Yuan Law Office
Suites 3502-03, 35/F
One Exchange Square
8 Connaught Place
Central
Hong Kong

As to PRC law:
Allbright Law Offices
11/12F, Shanghai Tower
No. 501, Yincheng Middle Road
Pudong New Area, Shanghai
PRC

Legal Advisors to the Sole Sponsor and the [REDACTED]

As to Hong Kong and U.S. law:
Sullivan & Cromwell (Hong Kong) LLP
20/F, Alexandra House
18 Chater Road
Central
Hong Kong

	As to PRC law: **Commerce & Finance Law Offices** 12–15/F, China World Office 2 No. 1 Jianguomenwai Avenue Chaoyang District Beijing PRC
Reporting Accountants and Independent Auditor	**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
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Suite 2504, Wheelock Square 1717 West Nanjing Road Jing'an District Shanghai PRC
Independent Property Valuer	**Graval Consulting Limited** Suites 2401–02, 24/F Shui On Centre 68 Harbour Road Wanchai Hong Kong
Intellectual Property Legal Advisor	**Allbright Law Offices** 11/12F, Shanghai Tower No. 501, Yincheng Middle Road Pudong New Area, Shanghai PRC
Compliance Advisor	**Halcyon Capital Limited** Rm 3401, 34/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

[REDACTED]

CORPORATE INFORMATION

Registered Office, Head Office and Principal Place of Business in the PRC

No. 1 Anquan Road
Jiangyin City
Jiangsu Province
PRC

Principal Place of Business in Hong Kong

46/F, Hopewell Centre,
183 Queen's Road East,
Wanchai, Hong Kong

Company's Website

www.protelight.com
(The information contained on this website does not form part of this document)

Joint Company Secretaries

Mr. ZHANG Wendong (張文棟)
Room 201
Unit B
Building 3
Hehai Second Village
Changzhou City
Jiangsu Province
China

Ms. Wong Mei Fung Carrie (黃美鳳)
46/F, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Authorized Representatives

Mr. ZHANG Wendong (張文棟)
Room 201
Unit B
Building 3
Hehai Second Village
Changzhou City
Jiangsu Province
China

Ms. Wong Mei Fung Carrie (黃美鳳)
(Fellow of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)
46/F, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Audit Committee

Mr. QIAN Junfeng (錢俊峰)
(Chairperson)
Dr. SHI Wei (施維)
Dr. XU Aimin (徐愛民)

Nomination Committee

Dr. XU Aimin (徐愛民)
(Chairperson)
Dr. SHI Wei (施維)
Ms. CHEN Mingxia (陳明俠)

Remuneration Committee

Dr. SHI Wei (施維)
(Chairperson)
Dr. XU Aimin (徐愛民)
Dr. CHEN Yuxin (陳育新)

[REDACTED]

Principal Banks

Shanghai Pudong Development Bank
Jiangyin Development Zone Sub-branch
101 Chengjiang Middle Road
Jiangyin City
Wuxi
China

China Merchants Bank Co., Ltd.
Jiangyin Sub-branch
296 Hongqiao South Road
Jiangyin City
Wuxi
China

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

OVERVIEW

Introduction to Peptide Drugs

Peptide drugs are compounds composed of a series of well-ordered amino acids linked by peptide bonds. They possess characteristics that lie between traditional small-molecule drugs and large-molecule protein therapeutics, and may be derived from naturally occurring bioactive peptides or produced through chemical synthesis or genetic engineering technologies. In terms of mechanisms, peptide drugs typically bind to specific receptors or act as enzyme inhibitors/agonists to regulate physiological processes and achieve therapeutic effects.

Advantages of Peptide Drugs

Although head-to-head clinical trials are currently lacking, several literature reviews have highlighted the advantages of peptide drugs based on their mechanisms, pharmacology, and platform characteristics. A primary advantage is their exceptional specificity. Studies indicate that peptides bind to receptors or enzymes with high affinity and selectivity. Furthermore, their molecular size and backbone flexibility make them better suited than small molecules for covering expansive protein surfaces, particularly protein-protein interaction interfaces. This makes peptides highly effective for addressing biological targets that are traditionally considered undruggable for small molecules.

In addition to their targeting capabilities, peptides offer distinct advantages in immunogenicity and safety. Research demonstrates that they generally exhibit lower immunogenicity and antigenicity compared to larger biological therapies, such as proteins and antibodies. Their safety profile is bolstered by highly predictable metabolic pathways; because peptides typically break down into amino acids or smaller fragments, cytochrome P450 (CYP)- mediated metabolic interactions are relatively rare. Analyses of peptide drugs approved between 2008 and 2024 further confirm that the overall risk of clinically relevant drug-drug interactions (DDIs) remains exceptionally low, even for larger peptides.

Finally, peptide drugs demonstrate remarkable efficacy in clinical applications. They deliver high affinity and potency, which allows them to exert robust therapeutic effects at remarkably low concentrations.

This high efficiency, combined with their precise targeting, gives peptides a unique and highly valuable role in treating conditions involving complex target types

Global and China Peptide Drug Market, 2020–2030E

Global peptide drug market size continues to grow, rising from USD62.8 billion in 2020 to USD137.7 billion in 2025. The global peptide drug market size is expected to grow at a CAGR of 10.3% between 2025 and 2030, increasing to USD224.3 billion in 2030. In 2025, by therapeutic field, diabetes accounted for the largest share of the global peptide drug market at 59.6% with USD82.1 billion, followed by weight management at 24.8% with USD34.1 billion, oncology at 8.2% with USD11.3 billion, other therapeutic fields at 5.9% with USD8.1 billion, while peptide-based anti-infective drugs accounted for 1.5% with USD2.0 billion.

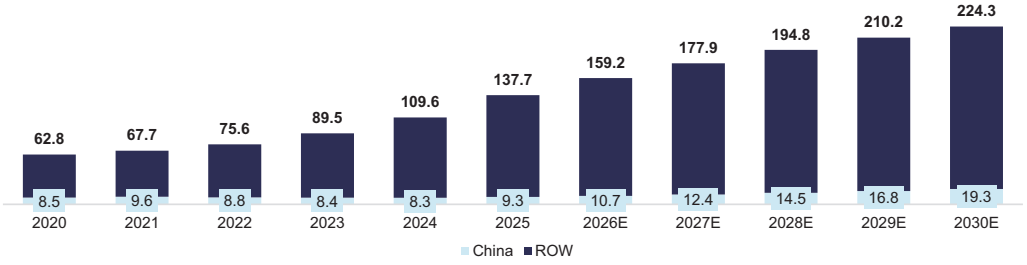
China peptide drug market size grew from USD8.5 billion in 2020 to USD9.3 billion in 2025, and it is expected to grow at a CAGR of 15.7% between 2025 and 2030, reaching USD19.3 billion in 2030. In 2025, by therapeutic field, diabetes accounted for the largest share of the China peptide drug market at 47.4% with USD4.4 billion, followed by growth and development at 15.9% with USD1.5 billion, immune modulation at 10.4% with USD1.0 billion, weight management at 8.3% with USD0.8 billion, cardiovascular disease at 6.3% with USD0.6 billion, other therapeutic fields at 4.8% with USD0.4 billion, and nervous system at 4.3% with USD0.4 billion, while peptide-based anti-infective drugs

accounted for 2.7% with USD0.2 billion. The slight decline in the China peptide drug market from 2020 to 2024 was mainly attributable to significant pricing pressure following the implementation of the national volume-based procurement programme for insulin (initiated in 2021 and implemented from 2022), as well as temporary disruptions caused by the COVID-19 pandemic.In contrast, the forecast growth is mainly supported by the rapid expansion of GLP-1 receptor agonists, driven by increasing adoption in diabetes management as well as significant growth in new indications such as obesity. Compared to traditional peptide drugs, GLP-1 therapies are characterised by higher pricing levels, broader patient populations and expanding clinical applications, which are expected to drive substantial market value growth.

- Global peptide drug market size continues to grow, rising from USD62.8 billion in 2020 to USD137.7 billion in 2025.The global peptide drug market size is expected to grow at a CAGR of 10.3% between 2025 and 2030, increasing to USD224.3 billion in 2030.
- China peptide drug market size grew from USD8.5 billion in 2020 to USD9.3 billion in 2025, and it is expected to grow at a CAGR of 15.7% between 2025 and 2030, reaching USD19.3 billion in 2030.

Global and China Peptide Drug Market Size, 2020-2030E

Period	CAGR	
	Global	China
2020-2025	17.0%	1.8%
2025-2030E	10.3%	15.7%



Source: Annual reports, expert interviews, Frost & Sullivan Analysis

Growth Drivers and Future Trends of the Peptide Drug Market

Advancing Precision-Targeted Anti-Infective Therapies to Address Resistance and Complex Infections. The growth of peptide therapeutics in the anti-infective field is driven by their alignment with precision-targeted therapy. Antimicrobial peptides can selectively act on pathogen-specific targets, enabling effective treatment of bacterial and fungal infections while potentially reducing host toxicity. This approach directly responds to rising antimicrobial resistance, increasing complex infections, and the expanding immunocompromised population, offering a promising pathway for developing novel, low-resistance anti-infective therapies.

Breakthrough Delivery Technologies Enhance Long-Term Treatment Adherence. R&D is increasingly focused on developing non-invasive, targeted, or long-acting delivery platforms, such as suppositories, sprays, and semi-solid or formulations, which may reduce dosing frequency to once daily or even once monthly, thereby substantially improving adherence in chronic disease management. In parallel, oral peptide technologies capable of protecting peptides from enzymatic degradation in the gastrointestinal tract are also making meaningful progress.

Expansion into Frontier Therapeutic Areas to Address Diverse Medical Needs. The application scope of peptide therapeutics is rapidly expanding beyond traditional metabolic indications. Market development is increasingly concentrated on three major directions: infectious diseases, with antimicrobial peptides addressing the growing challenge of antibiotic resistance; inflammatory and autoimmune disorders, through immunomodulatory peptides that selectively regulate dysregulated immune responses; and oncology, leveraging peptide–drug conjugates to enable targeted delivery of cytotoxic agents to tumor cells and open new avenues in cancer therapy.

Challenges, Threats, and Entry Barriers of the Peptide Drug Market

Market Challenges: Developing innovative peptide therapies globally faces severe biochemical limitations, particularly poor oral bioavailability and rapid enzymatic degradation in the human body. Simultaneously, the Chinese market struggles with highly complex large-scale synthesis requirements, which significantly elevate daily manufacturing costs and deeply complicate the stringent quality control processes necessary for long-term commercial viability and clinical success.

Market Threats: Massive research and development expenses render innovative peptide treatments exceptionally vulnerable to fierce competition from cheaper, widespread small-molecule generics globally . Furthermore, China's aggressive volume-based procurement policies severely threaten corporate profit margins by forcing companies to implement drastic price reductions just to secure essential access to the dominant public hospital distribution networks.

Market Entry Barriers: Market entry strictly demands proprietary solid- phase peptide synthesis technologies and advanced purification infrastructure to manage complex molecular structures. Furthermore, securing exclusive patents for specialized permeation enhancers or lipid nanoparticle delivery platforms is absolutely mandatory to overcome inherent peptide instability, creating a remarkably high technological barrier for new developers in both Chinese and global pharmaceutical markets.

ANTI-INFECTIVE DRUG MARKET

Overview of Anti-Infective Drugs

Anti-infective drugs are a broad class of therapeutics used to kill or inhibit pathogenic microorganisms, such as bacteria and fungi, and are widely used in the treatment of infectious diseases and infection-related complications.

Antifungal drugs. Antifungal agents are primarily used to treat infections caused by pathogenic fungi and are commonly classified according to their mechanisms of action. Major categories include agents that target sterol synthesis (such as imidazole and triazole compounds), those that inhibit fungal cell wall synthesis (such as echinocandins), and agents that interfere with nucleic acid synthesis (such as 5-fluorocytosine). These drugs are widely applied in both mucosal and systemic fungal infections, particularly in immunocompromised populations.

Antibacterial drugs. Antibacterial agents act by either killing bacteria (bactericidal) or inhibiting bacterial growth (bacteriostatic). They are commonly classified based on their mechanisms of action, including agents that target bacterial cell wall synthesis (e.g., penicillins and cephalosporins), disrupt bacterial cell membranes (e.g., polymyxins), or interfere with essential bacterial enzymes and metabolic processes (e.g., rifamycins). A limited number of antibacterial agents also demonstrate activity against protozoal pathogens. Antibacterial agents constitute the most important and widely used subgroup within anti-infective therapies.

Antiviral drugs. Antiviral drugs act by inhibiting viral replication or interfering with key stages of the viral life cycle, rather than directly destroying virus particles. Most are virus-specific, with a limited number showing broader activity, and they play an important role in the management of chronic viral infections and in epidemic or pandemic response.

Other anti-infective drugs. Other categories of anti-infective drugs include agents targeting chlamydia, mycoplasma, rickettsia, parasites, and helminths, which are clinically relevant causes of infectious diseases. These pathogens can cause systemic or localized infections and often require specialized therapeutic approaches.

Global and China Anti-Infective Drug Market, 2020–2030E

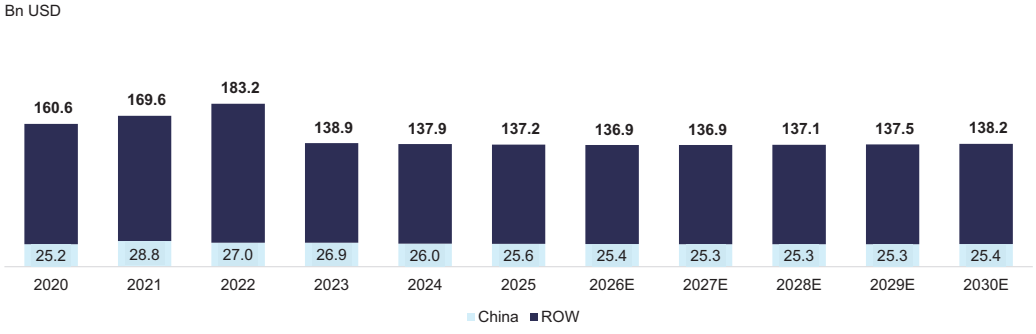
The global anti-infective drug market stood at USD137.2 billion in 2025, projected to dip to USD138.2 billion by 2030. The recent decline stems from plummeting demand for anti-COVID-19 drugs/vaccines post-pandemic, plus patent expirations of HIV drugs spurring generic competition. The global anti-infective drug market demonstrates a similar phased dynamic but is primarily influenced by pandemic-related demand fluctuations and long-term structural characteristics of the market. The negative CAGR observed during 2020 to 2025 was mainly attributable to a high base effect driven by elevated use of anti-infective drugs during the COVID-19 pandemic, followed by a normalisation of demand as the pandemic subsided. During the period from 2025 to 2030, the market is expected to

remain relatively stable, as it continues to be dominated by generic antibiotics subject to ongoing pricing pressure, while innovative anti-infective therapies have not yet reached large-scale commercialisation.

In China, the market reached USD25.6 billion in 2025, forecast to hit USD25.4 billion by 2030. Its contraction has been driven by pandemic-related drops in medical visits, successive rounds of volume-based procurement reducing drug prices, and stricter antibiotic control policies. In China, the historical growth pattern of the anti-infective drug market was shaped by a combination of policy-driven controls and pandemic-related demand fluctuations. Over the past years, strengthened national efforts to combat AMR, including the implementation of antibiotic stewardship policies, have led to more rational and restricted use of antimicrobial drugs. In addition, the inclusion of key antibacterial drugs such as ceftazidime and vancomycin in volume-based procurement programmes resulted in significant price reductions, exerting downward pressure on market value. Furthermore, during the COVID- 19 pandemic, the use of anti-infective drugs remained at elevated levels, and the subsequent normalisation of demand after the pandemic led to a decline from this high base.

Global and China Anti-infective Drug Market, 2020-2030E

Period	CAGR	
	Global	China
2020-2025	-3.1%	0.3%
2025-2030E	0.1%	-0.2%



Source: Annual reports, expert interviews, Frost & Sullivan Analysis

Growth Drivers and Future Trends of the Anti-Infective Drug Market

High Unmet Need: Infectious Disease Burden and Antimicrobial Resistance Crisis. On one hand, complex and refractory wound infections, such as diabetic foot infections and surgery-associated infections, are increasingly prevalent, compounded by the growing population of elderly and immunocompromised patients, driving sustained demand for effective treatments. On the other hand, traditional antibiotics face significant limitations in addressing these infections due to resistance issues — particularly against "superbugs" like MRSA — and adverse effects. This creates a clear clinical entry point for platform technologies based on novel mechanisms, such as antimicrobial peptides. By focusing on the development of next-generation antimicrobial drugs with multi-target activity and low resistance potential, these approaches aim to precisely address infections caused by drug-resistant pathogens and complex cases, thereby potentially fulfilling the most urgent unmet market needs. Policy support is also a positive factor. In 2022, the National Health Commission issued the Notice on Printing and Distributing the National Action Plan to Contain Antimicrobial Resistance (2022–2025), aiming to reduce drug-resistant infections, raise public awareness of and promote the rational use of antibiotics, and ensure 100% traceable sales of retail antibacterial drugs.

Innovation Driving Treatment Paradigms and Product Evolution. The anti-infective drug market is experiencing growth, driven by a shift towards precision formulations that meet the evolving needs of modern healthcare. A notable development in this area is the advancement of AMPs, which have enabled the creation of topical drug delivery systems such as sprays, suppositories, and oral gels. These systems facilitate the direct application of therapeutic agents to localized infection sites, enhancing the effectiveness of treatment. By focusing the drug's action on the infection site, these delivery methods minimize systemic exposure, reduce the risk of side effects, and ultimately improve patient outcomes and treatment adherence.

Challenges, Threats, and Entry Barriers of the Anti-infective Drug

Market Market Challenges: The rapidly escalating global crisis of antimicrobial resistance drastically diminishes the clinical efficacy of established treatments over time. Consequently, medical researchers consistently face overwhelming scientific difficulties in discovering entirely novel mechanisms of action required to effectively combat and outpace continuously evolving superbugs across both international healthcare systems and Chinese domestic hospital networks today.

Market Threats: The continuous development of resistance by dangerous pathogens severely shortens the profitable commercial lifespan of new anti-infective drugs. Furthermore, strict hospital budget caps and aggressive antibiotic stewardship programs implemented both globally and specifically in China heavily restrict the prescription frequency and overall sales volume of newly launched, high-priced, and innovative broad-spectrum antibiotics right from the start.

Market Entry Barriers: Commercial success specifically requires navigating specialized regulatory incentives, like the Qualified Infectious Disease Product designation globally or priority review in China. Furthermore, demonstrating strong clinical results demands access to highly specialized global clinical trial networks. These networks must be capable of rapidly recruiting severely infected patients across multiple intensive care units before standard routine antibiotics hide the specific therapeutic benefits of the new drug candidate.

PEPTIDE-BASED ANTI-INFECTIVE DRUG MARKET

Overview of Peptide-Based Anti-Infective Drugs

Peptide-based anti-infective drugs are short amino acid sequences that kill or inhibit pathogenic microorganisms primarily through direct membrane disruption and/or immune modulation mechanisms. Among this class, antimicrobial peptides (AMPs) represent the most extensively studied and clinically relevant category, serving as key effectors of innate immunity and forming the scientific foundation of peptide-based anti-infective therapeutics. AMPs demonstrate broad-spectrum activity against Gram-positive bacteria, Gram-negative bacteria and fungi, and exhibit comparable bactericidal and fungicidal effects against both drug-susceptible and drug-resistant strains, including clinically significant multidrug-resistant organisms such as MRSA, VRE, Copper-green bacterium (*Pseudomonas aeruginosa*), *Acinetobacter baumannii*, as well as pathogenic fungi such as *Candida* spp. and *Aspergillus* spp. These characteristics position peptide-based anti-infective drugs as a promising therapeutic class in addressing both antimicrobial and antifungal resistance.

Traditional antibiotics and antifungal agents face major limitations driving the shift toward novel therapies. Widespread antimicrobial use has fueled the rapid emergence and global spread of resistance, reducing the effectiveness of treatments and complicating the management of infections. Conventional agents are also associated with adverse effects, including microbiota disruption, gastrointestinal toxicity, allergic reactions and nephrotoxicity, limiting long-term tolerability. The World Health Organization has highlighted several high-priority "superbugs" posing urgent public health threats, including carbapenem-resistant Enterobacteriaceae (CRE), ESBL-producing *E. coli* and *K. pneumoniae*, Copper-green bacterium (*Pseudomonas aeruginosa*), MRSA, VRE and multidrug-resistant *Acinetobacter baumannii*, while drug-resistant fungal pathogens such as azole-resistant *Candida* and *Aspergillus* species are increasingly implicated in invasive and healthcare-associated infections with limited treatment options.

In contrast, AMPs offer multiple advantages: a lower possibility for resistance development due to different mechanisms, rapid disruption of microbial membranes, potential immunomodulatory effects that enhance host defenses, and activity against both bacteria and fungi. This widening gap between the declining effectiveness of traditional antimicrobials and the mechanistic promise of peptides underscores the strong strategic rationale for advancing peptide-based anti-infective agents in the fight against multidrug-resistant bacterial and fungal infections.

Overseas and China-Marketed Peptide-Based Anti-Infective Drugs

As of the Latest Practicable Date, only a limited number of peptide-based anti-infective drugs have been approved by the FDA, and most of such approvals were granted in earlier years, with one product approved as early as the 1970s and only five approvals in nearly 25 years. In China, peptide-based anti-infective drugs approved by the NMPA are also limited, with only seven such products approved, and the approved product landscape in this field remains highly concentrated and sparsely populated.

Table 3 Peptide-based Anti-infective Drugs Approved by FDA

Genetic Name	Brand Name	Target/MOA	Company	Indication	Category	Administration	Approval Date
Rezafungin	REZZAYO	Glucan synthase	Mundi Pharma	IC	Antifungal	Injection	2023/3/22
Oritavancin	ORBACTIV	Peptidoglycan	Melinta Theraprutics	ABSSSI	Antibacterial	Injection	2014/8/6
Dalbavancin	DALVANCE	Peptidoglycan	Abbvie	Skin infection, ABSSSI	Antibacterial	Injection	2014/5/23
Telavancin	VIBATIV	Peptidoglycan	Cumberland Pharmaceuticals	HAP, VAP, ABSSSI	Antibacterial	Injection	2009/9/11
Anidulafungin	ERAXIS	Glucan synthase	Vicuron Pharmaceuticals	IC	Antifungal	Injection	2006/2/17
Colistimethate Sodium	COLY-MYCIN M	Bacterial cell membranes	PH Health	Gram-negative bacterial infection	Antibacterial	Injection	1970/6/4

Notes: only includes originator drugs, excluding generics; only antibacterial and antifungal agents were included; IC = invasive candidiasis.

Source: FDA, Frost & Sullivan analysis

Table 4 Peptide-based Anti-infective Drugs Approved by NMPA

Genetic Name	Brand Name	Target/MOA	Company	Indication	Category	Administration	Approval Date
Peceleganan	普亦克	Membrane disruption	Protelight	Secondary infections of first-degree or superficial second-degree burn and scald wounds caused by Staphylococcus epidermidis, Staphylococcus haemolyticus, or Acinetobacter baumannii	Antibacterial	Spray	2026/6/17
Telavancin	NA	Peptidoglycan	Cumberland Pharmaceuticals	HAP, VAP, *Staphylococcus aureus* infection	Antibacterial	Injection	2025/2/11
Daptomycin	Cubicin	Bacterial membrane	Cubist Pharmaceuticals	cSSSI, Adult *Staphylococcus aureus* (including methicillin-susceptible and methicillin-resistant) bloodstream infection (bacteremia), including associated right-sided infective endocarditis, Pediatric *Staphylococcus aureus* bloodstream infection	Antibacterial	Injection	2009/9/2
Micafungin	Mycamine	Glucan synthase	Astellas Pharma	Fungemia, respiratory fungal infection, gastrointestinal fungal infection	Antifungal	Injection	2006/9/1
Caspofungin	Cancidas	Glucan synthase	MSD	Suspected fungal infection, candidemia and other *Candida* infections, esophageal candidiasis, invasive aspergillosis refractory to other treatments	Antifungal	Injection	2002/10/29
Teicoplanin	Targocid	Peptidoglycan	Gruppo Lepetit	Serious Gram-positive bacterial infections and serious staphylococcal infections	Antibacterial	Injection	2000/12/15
Vancomycin	Vancocin	Peptidoglycan	Eli Lilly	Infections caused by MRSA and other bacteria	Antibacterial	Injection	2000/5/27

Notes: only includes originator, excluding generic drugs; only antibacterial and antifungal agents were included.

Source: NMPA, Frost & Sullivan analysis

Overseas and China Competitive Landscape of Peptide-Based Anti-Infective Drugs

As of the Latest Practicable Date, there were six clinical-stage peptide-based anti-infective drug candidates under development, whereas seven peptide-based anti-infective drug candidates were being developed in China.

Table 5 Overseas Competitive Landscape of Peptide-based Anti-infective Drugs

Pipeline	Phase	Target/MOA	Company	Indication	Category	Administration	First posted date
PLG0206	Phase II/III	Bacterial cell membranes	Peptilogics	PJI	Antibacterial/ Antifungal	Injection	2025/10/9
LTX-109	Phase II	Bacterial cell membranes	Lytix Biopharma	Nasal decolonization of *staphylococcus aureus*	Antibacterial/ Antifungal	Topical	2023/6/25
OMN6	Phase II	Bacterial cell membranes	Omnix Medical	Gram-negative bacterial infection	Antibacterial/ Antifungal	Injection	2023/10/11
PL-5	Phase II	Bacterial and fungal cell membranes	ProteLight	Diabetic foot infection	Antibacterial/ Antifungal	Spray	2024/1/3
Rezafungin	Phase II	Glucan synthase	Mundi Pharma	Chronic pulmonary aspergillosis	Antifungal	Injection	2025/1/27
PL-18	Phase I	Bacterial and fungal cell membranes	ProteLight	Colpomycosis, bacterial vaginitis, mixed vaginitis	Antibacterial/ Antifungal	Suppository	2022/4/22

Notes: *only includes originator, excluding generic drugs; only including antibacterial and antifungal agent pipelines first posted over the past four years; PJI = Periprosthetic joint infection.*

Source: *ClinicalTrials, Frost & Sullivan analysis*

Table 6 Competitive Landscape of Peptide-based Anti-infective Drugs in China

Pipeline	Phase	Target/MOA	Company	Indication	Category	Administration	First posted date
PL-3301	Phase II	Bacterial and fungal cell membranes	ProteLight	OPC	Antibacterial/ Antifungal	Oral gel	2026-08-19
HRS9432	Phase II	Glucan synthase	Fujian Shengdi Pharmaceutical	Candidemia, invasive candidiasis	Antifungal	Injection	2023-12-27
YB211	Phase II	30S ribosomal subunit	Mudanjiang Youbo Pharmaceutical	ABSSSI	Antibacterial	Injection	2025-03-07
ASK0912	Phase II	NA	Jiangsu Aosaikang Pharmaceutical	HAP	Antibacterial	Injection	2026-01-12
PL-18	Phase I/II	Bacterial and fungal cell membranes	ProteLight	VVC	Antibacterial/ Antifungal	Suppository	2023-08-14
TQD3524	Phase I	Bacterial cell membranes	Chia Tai Tianqing Pharmaceutical	Anti infection	Antibacterial	Injection	2024-07-09
SM-V-61	Phase I	Peptidoglycan precursor	Shanghai Tangji	ABSSSI	Antibacterial	Injection	2024-11-05

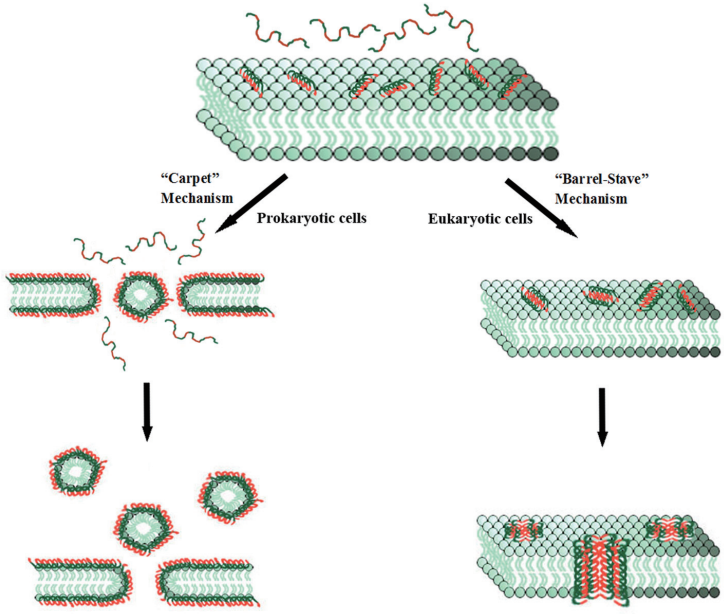
Notes: *only includes originator, excluding generic drugs; only including antibacterial and antifungal agent pipelines first posted over the past three years;*

Source: *CDE, Literature research, Frost & Sullivan analysis*

Introduction to the "Membrane Discrimination Mechanism" and Its Mechanistic & Clinical Advantages

Peptide-based anti-infective drugs primarily exert their antimicrobial activity through a "Membrane Discrimination Mechanism." Driven by electrostatic attraction, positively charged peptides diffuse toward bacterial surfaces and are able to pass through the cell walls of both Gram-positive and Gram-negative bacteria. Under the combined effects of electrostatic forces and the negative transmembrane potential of bacterial cytoplasmic membranes, peptides are attracted to and accumulate on the membrane surface, where the hydrophobic membrane environment induces the formation of an amphipathic α-helical structure with distinct hydrophobic and hydrophilic faces. Following membrane association, the hydrophobic face of the peptide interacts with the fatty acid components of membrane phospholipids, causing peptide molecules to insert and flip into the hydrophobic core of the lipid bilayer. As increasing numbers of peptide molecules undergo this insertion and flipping process, the surface tension and structural integrity of the membrane are progressively disrupted. When a critical concentration of peptides is reached, the bacterial cytoplasmic membrane becomes permeable, destabilized, or collapsed, resulting in leakage of intracellular contents and rapid bacterial death. This physical, membrane-targeting mechanism does not rely on a single enzymatic target or metabolic pathway and is therefore fundamentally different from conventional small-molecule antibiotics. As a result, peptide-based anti-infective drugs typically demonstrate broad-spectrum antimicrobial activity, rapid bactericidal effects, and a lower propensity for resistance development, including activity against drug-resistant strains. These mechanistic characteristics translate into important clinical advantages, particularly in the treatment of refractory and multidrug-resistant infections, and support the development of peptide-based therapies as next-generation anti-infective solutions.

Membrane Discrimination Mechanism



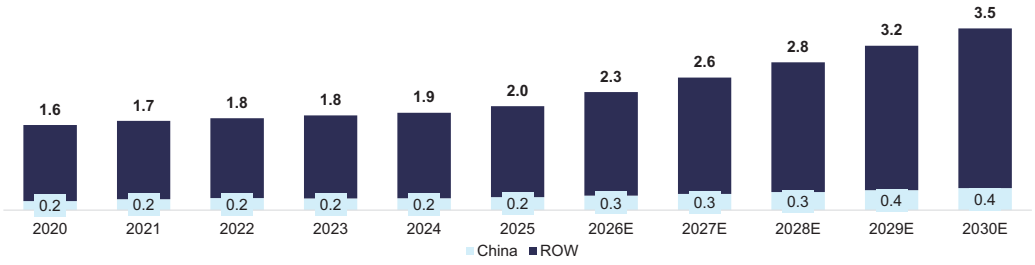
Global and China Peptide-Based Anti-Infective Drug Market, 2020–2030E

In 2025, the global market for peptide-based anti-infective drugs reached USD2.0 billion. Driven by the escalating global challenge of antimicrobial resistance (AMR) and the critical need for a "last line of defense" against multi-drug resistant pathogens, the market is projected to expand to USD3.5 billion by 2030, representing a CAGR of 11.8%. This robust growth is further underpinned by continuous breakthroughs in peptide synthesis and stabilization technologies, which have significantly enhanced the therapeutic window and patient compliance of these high-potency drugs, allowing them to capture a larger share of the global anti-infective sector.

Concurrently, the Chinese market for peptide-based anti-infective drugs stood at USD0.2 billion in 2025. As China shifts its focus toward high-quality domestic innovation and clinical-value-oriented healthcare, this market is projected to grow to USD0.4 billion by 2030, reflecting a CAGR of 11.3%. This upward trajectory is fueled by the deepening penetration of innovative therapeutics under the National Reimbursement Drug List (NRDL) and a strategic emphasis on "import substitution." As domestic players overcome the technical barriers of large-scale peptide manufacturing, the Chinese market is poised to transition from a reliance on conventional antibiotics to an era of high-barrier, peptide-based precision anti-infectives.

Global and China Peptide-based Anti-infective Drugs Market Size, 2020-2030E

Period	CAGR	
	Global	China
2020-2025	4.1%	7.4%
2025-2030E	11.8%	11.3%



Source: Annual reports, expert interviews, Frost & Sullivan Analysis

Growth Drivers and Future Trends of Peptide-Based Anti-Infective Drugs

Clinical Demand & Resistance Pressure. The growth of peptide-based anti-infective drugs is driven by the global antimicrobial resistance crisis, where multidrug-resistant organisms such as Carbapenem-resistant *Acinetobacter baumannii* (CRAB), Carbapenem-resistant Enterobacterales (CRE) and third generation cephalosporin-resistant Enterobacterales (3GCRE), Carbapenem-resistant *Pseudomonas aeruginosa* (CRPA) reduce the effectiveness of traditional antibiotics, leading to prolonged treatment, higher costs, and increased mortality. Rising clinical demand from complex infections in diabetic foot infection, burn, surgical, and immunocompromised patients, as well as emerging infectious diseases, further fuels the need for new broad-spectrum, fast-acting therapies.

Enhanced Drug Delivery Systems. Effective drug delivery systems are critical for the success of peptide-based therapeutics. Peptides often face challenges related to bioavailability and tissue penetration, which can hinder their clinical efficacy. Their large molecular size and susceptibility to enzymatic breakdown can limit their absorption and ability to effectively reach the targeted infection sites. Advances in delivery technologies, such as thermosensitive gels, spray formulations, and other precision-targeted delivery systems, are helping to overcome these obstacles. These innovations enable controlled release of the drug over time, enhancing bioavailability and improving targeted delivery to infection sites, thereby increasing the overall therapeutic effectiveness of peptide-based treatments.

Challenges, Threats, and Entry Barriers of the Peptide-Based Anti-Infective Drug Market

Market Challenges: Companies may face immense difficulties balancing extremely potent antimicrobial efficacy with minimal human toxicity during initial drug formulation. Additionally, ensuring the sustained biochemical stability of these highly sensitive antimicrobial peptides within complex, enzyme-rich infection microenvironments remains a massive research and development hurdle for pharmaceutical companies actively operating in global and Chinese clinical settings.

Market Threats: The rapid acceleration of bacterial pathogen mutation rates consistently threatens to render newly approved peptide anti-infectives clinically ineffective shortly after launch. Simultaneously, highly affordable and deeply entrenched traditional generic antibiotics continuously dominate current global and Chinese markets, severely undermining the commercial viability and targeted pricing power of these highly sensitive, premium-priced therapeutic interventions.

Market Entry Barriers: Entering the peptide-based anti-infective drug market generally requires strong integrated capabilities, including peptide design and optimization, established manufacturing processes and quality control systems, as well as the ability to conduct clinical studies in complex infection settings. In addition, advancing clinical development and regulatory approvals under global and China regulatory frameworks also requires substantial development infrastructure and compliance capabilities, which collectively create certain barriers to entry for new market participants.

SECONDARY WOUND INFECTION DRUG MARKET

Overview of Secondary Wound Infection

Secondary wound infection refers to an infection that occurs in an existing wound following initial injury, surgery or chronic tissue damage, typically resulting from the invasion and colonization of pathogenic microorganisms during the wound healing process. It can develop across a wide range of wound types, including surgical wounds, traumatic wounds, diabetic wounds, pressure ulcers and iatrogenic wounds. Disruption of the skin barrier in acute or chronic wounds facilitates microbial accumulation and invasion, making secondary infection one of the most frequent and challenging wound-related complications in clinical practice.

Global and China Incidence of Secondary Wound Infection, 2020–2035E

Global incidence number of secondary wound infection increased from 74.4 million in 2020 to 79.4 million in 2025. The number is expected to increase to 85.1 million in 2030 at a CAGR of 1.4% from 2025 to 2030. The number is expected to grow to 91.4 million in 2035, at a CAGR of 1.4%.

Incidence number of secondary wound infection in China increased from 16.8 million in 2020 to 18.9 million in 2025. The number is expected to increase to 20.3 million in 2030 at a CAGR of 1.5% from 2025 to 2030. The number is expected to grow to 21.3 million in 2035, at a CAGR of 0.9%.

Treatment Paradigm for Secondary Wound Infection

The treatment paradigm for secondary wound infection emphasizes comprehensive wound management combined with rational antimicrobial use. Core principles include wound cleansing, debridement of necrotic tissue, maintenance of a moist healing environment, and the use of systemic or topical antimicrobial agents only when infection is clinically confirmed. The strategies vary by wound type. For example, diabetic wounds and pressure ulcers often require long-term wound care and careful antimicrobial stewardship, while surgical and traumatic wounds emphasize infection prevention and early intervention. In China, guidelines stress culture-based pathogen identification, appropriate antibiotic selection, and avoidance of unnecessary prophylactic antimicrobial use to reduce resistance risk.

Treatment Paradigm of Secondary Wound Infection in China

Secondary Wound Infection

ABSSSI	Diabetic Wounds	Pressure Wounds	Burn Wounds	Iatrogenic wounds
Oral options: • Minocycline • Trimethoprim and sulfamethoxazole • Doxycycline • Clindamycin • Linezolid • Tedizolid **Intravenous options:** • Clindamycin • Trimethoprim and sulfamethoxazole • Vancomycin • Tigecycline • Linezolid • Daptomycin • Ceftaroline • Dalbavancin • Tedizolid • Telavancin • …	**No/mild superficial infection:** • Usually no antibacterials needed. If required, target Gram-positive cocci (GPC). **Moderate/severe/deep infection:** • Acute/untreated wounds: Use narrow-spectrum agents targeting GPC. • Chronic/treated wounds: Use IV broad-spectrum agents covering GNB (including drug-resistant Pseudomonas aeruginosa) and anaerobes; add antifungals if needed. **China-specific regimens:** • GPB: Linezolid, Vancomycin, Teicoplanin • GNB: Piperacillin/Tazobactam, Amikacin, Meropenem, Imipenem	**Wound Care & Treatment:** • Debride non-viable tissue; maintain moist wound healing. • Use appropriate support surfaces; tailor dressings to wound stage. • Systemic antibiotics only for confirmed infection.	• **Topical antifungals:** Clotrimazole, Ketoconazole, Nystatin, Terbinafine • **Antifungal disinfectants:** Sodium Bicarbonate Solution, Tincture of Iodine • **Silver-containing preparations:** Silver Sulfadiazine, Silver Nitrate • **Special cases:** For invasive fungal infections (Mucor/Aspergillus/Fusarium) unresponsive to systemic therapy plus debridement, add topical wet dressing with Amphotericin B	**Wound Care & Local Management:** • Cleanse, debride necrotic tissue, maintain moist environment. • Use dressings suited to wound stage and exudate. **Antimicrobial Stewardship:** • Reserve systemic/topical antimicrobials for confirmed infection. • Obtain cultures, use correct agent/dose, reassess frequently.

Source: WSES/GAIS/WSIS/SIS-E/AAST global clinical pathways for patients with skin and soft tissue infections,《中國糖尿病足診治臨床路徑(2023版)》,《2019版壓力性潰瘍/損傷預防和治療臨床實踐指南》,《燒傷侵襲性真菌感染診斷與防治實踐指南(2024版)》, Frost & Sullivan Analysis

China-Marketed Secondary Wound Infection Drug

As of the Latest Practicable Date, three drugs have been approved for the treatment of secondary wound infections, including one drug specifically approved for secondary infections of first-degree or superficial second-degree burn and scald wounds caused by Staphylococcus epidermidis, Staphylococcus haemolyticus, or Acinetobacter baumannii, and two drugs approved for ABSSSI and DFI, respectively, which represent certain subtypes within the broader category of secondary wound infections.

China Competitive Landscape of Pipelines for Treatment of Secondary Wound Infection

As of the latest practicable date, within the scope of pipeline programs active over the past three years, in China, only two single pipeline candidates — MRX-4 and YB211 — have been identified.

Secondary Wound Infections Drugs Approved by NMPA

Genetic Name	Brand Name	Target/MOA	Company	Indication	Category	Administration	Approval Date	NRDL Inclusion Year	Price RMB /Unit	Dosage Form	Frequency	Cost per Patient (RMB)
Peceleganan	普亦克	Membrane disruption	ProteLight	Secondary Infection of Burn Wounds	Antibacterial	Spray	2026/6/17	N/A	N/A	0.2%	Once daily for 7 consecutive days	N/A
Omadacycline	纽再乐	30S rProteins	ZAI Lab	ABSSSI, etc.	Antibacterial	Injection, oral	2021/12/14	2022	480	0.1g	Once daily	~2,500
Linezolid	Zyvox	30S rProteins, 50S rProteins	Pfizer	Diabetic foot infection, etc.	Antibacterial	Injection, oral	2006/9/12	2009	23.4	0.6g	8-12 hour (once)	~650

1. *Only includes originator, excluding generic drugs and products no longer marketed*
2. *Only antibacterial and antifungal agents were included.*
3. *ABSSSI=Acute bacterial skin and skin structure infection; Secondary Infection of Burn and Scald Wounds=Secondary infections of first-degree or superficial second-degree burn and scald wounds caused by Staphylococcus epidermidis, Staphylococcus haemolyticus, or Acinetobacter baumannii*
4. *Some products have more than one standard administration dosage, information provided in the table is a just an example*

Source: NMPA, Frost & Sullivan analysis

China Competitive Landscape of Secondary Wound Infections Pipeline

Pipeline	Phase	Target/MOA	Company	Indication	Category	Administration	First posted date
MRX-4	NDA	Inhibition of bacterial protein	Micurx	ABSSSI; HABP; VABP; HCAP; BSI	Antibacterial	Injection	2025/5/20
YB211	Phase II	30S ribosomal subunit	Mudanjiang Youbo Pharmaceutical	ABSSSI	Antibacterial	Injection	2025/3/7

1. *Only includes originator, excluding generic drugs*
2. *Only including antibacterial and antifungal agent pipelines first posted over the past three years*
3. *ABSSSI=Acute bacterial skin and skin structure infection; HABP=Hospital-Acquired Bacterial Pneumonia; VABP=Ventilator-Associated Bacterial Pneumonia; HCAP=Healthcare-Associated Pneumonia; BSI=Bloodstream Infection*

Source: CDE, Frost & Sullivan analysis

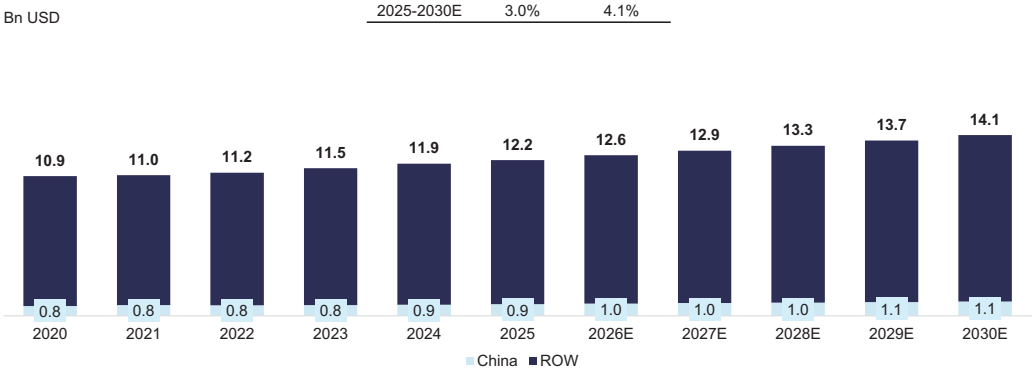
Global and China Secondary Wound Infection Drug Market, 2020–2030E

The global market for secondary wound infection drugs reached USD12.2 billion in 2025 and is projected to expand to USD14.1 billion by 2030, at a CARG of 3.0%. This growth is primarily underpinned by the increasing global prevalence of metabolic disorders, particularly diabetes, which frequently results in chronic complications such as diabetic foot ulcers that are highly susceptible to persistent secondary infections. Additionally, the rising volume of complex surgical interventions and a heightened clinical focus on infection control protocols in post-operative care are driving the sustained demand for advanced anti-infective therapies designed to accelerate wound closure and prevent systemic complications.

In China, the secondary wound infection drug market reached USD0.9 billion in 2025 and is expected to increase to USD1.1 billion by 2030, at a CAGR of 4.1%. This upward trajectory is largely shaped by the country's demographic shift towards an aging population, which presents a higher clinical burden of non-healing wounds and compromised immune responses. The market expansion is further catalyzed by the structural optimization of clinical treatment guidelines and the increased accessibility of innovative anti-infective agents through the National Reimbursement Drug List (NRDL). As healthcare infrastructure continues to modernize, there is a clear transition toward specialized wound management solutions that offer superior clinical outcomes over traditional therapies.

Global and China Secondary Wound Infection Drug Market Size, 2020-2030E

Period	CAGR	
	Global	China
2020-2025	2.2%	3.5%
2025-2030E	3.0%	4.1%



Source: Annual reports, expert interviews, Frost & Sullivan Analysis

Overview of Secondary infection of burn wounds

Secondary infection of burn wounds refers to an infection that develops in a burn or scald wound following the initial thermal injury, typically resulting from the invasion and colonization of pathogenic microorganisms during the wound healing process. Disruption of the skin barrier and the resulting moist wound environment make burn and scald wounds particularly susceptible to microbial colonization, and infection is one of the most common and clinically significant complications of burn injury, contributing to a substantial proportion of burn-related mortality. Common causative pathogens include Staphylococcus aureus and Pseudomonas aeruginosa, as well as coagulase-negative staphylococci such

as Staphylococcus epidermidis and Staphylococcus haemolyticus, and Acinetobacter baumannii, the latter of which is associated with high rates of multidrug resistance. Left untreated, secondary infection can delay wound healing and increase the risk of progression to deeper or systemic infection, underscoring the clinical need for effective antimicrobial treatment of first-degree and superficial second-degree burn and scald wounds.

Global and China Incidence of Secondary Infection of Burn Wounds, 2020–2035E

Global incidence number of secondary infection of burn wounds increased from 28.2 million in 2020 to 28.6 million in 2025. The number is expected to increase to 29.0 million in 2030 at a CAGR of 0.3% from 2025 to 2030. The number is expected to grow to 29.5 million in 2035, at a CAGR of 0.3%.

Incidence number of secondary infection of burn wounds in China increased from 2.66 million in 2020 to 2.87 million in 2025. The number is expected to increase to 2.92 million in 2030 at a CAGR of 0.3% from 2025 to 2030. The number is expected to grow to 2.96 million in 2035, at a CAGR of 0.3%.

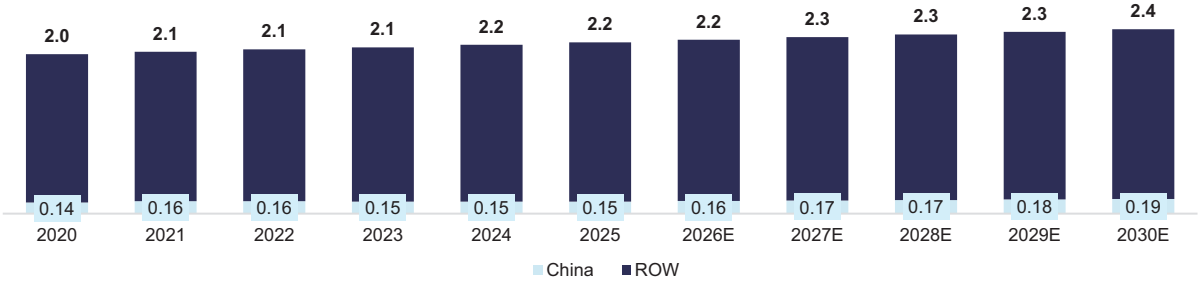
Global and China Secondary Infection of Burn Wounds Drug Market, 2020–2030E

The global market for secondary infection of burn wounds drugs reached USD2.2 billion in 2025 and is projected to expand to USD2.4 billion by 2030, at a CAGR of 1.5%, reflecting a relatively stable burn injury incidence and mature infection-control standards in developed markets.

In China, the market reached USD0.15 billion in 2025 and is expected to reach USD0.19 billion by 2030, at a CAGR of 3.8%. This above-global growth is largely driven by rising antimicrobial resistance among key burn-wound pathogens in China, including MRSA and increasingly resistant Klebsiella pneumoniae, which is driving greater reliance on newer anti-infective agents, together with expanding NRDL reimbursement coverage improving access to innovative therapies.

Global and China Secondary Infection of Burn Wounds Drug Market Size, 2020–2030E

Period	CAGR	
	Global	China
2020–2025	1.4%	1.6%
2025–2030E	1.5%	3.8%



Source: Annual reports, expert interviews, Frost & Sullivan Analysis

Challenges, Threats, and Entry Barriers of Secondary Wound Infection Drug Market

Market Challenges: As no drug has been specifically approved for secondary wound infection and the category spans diverse wound subtypes and pathogens, there is no single standardized treatment pathway and developers must pursue narrower sub-indications rather than a unified approval. Accordingly, there can be no assurance that the Core Product will capture market share in the Chinese Mainland or the United States, which remains a key market challenge.

Market Threats: Treatment is dominated by inexpensive, widely available generic antibiotics used across wound subtypes, setting a high pharmacoeconomic bar for novel therapies. In addition, antimicrobial-stewardship guidelines that restrict antimicrobial use to clinically confirmed infections, coupled with conservative prescribing behavior, may further constrain the uptake of new, higher-priced products.

Market Entry Barriers: Because approval is granted by specific sub-indication rather than for secondary wound infection as a whole, new entrants must conduct separate, indication-specific clinical trials satisfying the distinct requirements of the NMPA and the FDA for each. This fragmented and capital-intensive development path, compounded by entrenched low-cost generics, raises the barriers to entry.

Growth Drivers and Future Trends of Secondary Wound Infection Drug Market

Clinical Need Driven Secondary Wound Infection Drug Market. The secondary wound infection drug market is driven by severe clinical needs, underpinned by rising antimicrobial resistance, biofilm-related treatment challenges, and a growing population of high-risk patients with underlying conditions such as diabetes and immunosuppression. These factors have collectively reduced the effectiveness of conventional therapies, creating an urgent demand for more effective anti-infective solutions. Although new therapies may carry higher unit costs, they are expected to lower overall healthcare expenditures by shortening healing time, reducing amputation rates, and decreasing hospital stays, while addressing significant unmet medical needs and extending value from infection control to comprehensive chronic wound management.

Rising Incidence of Infected Wounds Driving Market Expansion. The rising incidence of secondary wound infections in China and worldwide is driving demand for anti-infective therapies, thereby expanding the secondary wound infection drug market. Globally, the incidence of secondary wound infection increased from 74.4 million cases in 2020 to 79.4 million cases in 2025 and is expected to reach 85.1 million cases by 2030, representing a CAGR of 1.4% from 2025 to 2030. In China, incidence increased from 16.8 million cases in 2020 to 18.9 million cases in 2025 and is projected to reach 20.3 million cases by 2030, with a CAGR of 1.5% from 2025 to 2030. As secondary wound infections can delay wound healing and prolong hospitalization, the growing number of infected wounds continues to support demand for anti-infective therapies.

Future Market Focus on Peptide-Based Anti-Infective Drugs. Looking ahead, the secondary wound infection drug market is expected to increasingly focus on antimicrobial peptide-based and peptide-based anti-infective therapies, which offer sustained antimicrobial activity, reduced dosing frequency, and the ability to disrupt biofilms while supporting tissue repair and microbiome balance. At the same time, formulation technologies are evolving toward long-acting retention sprays, gels, temperature- or pH-sensitive hydrogels, and film-forming dressings, designed to improve drug residence time, reduce dressing change frequency, and enable non-contact, uniform delivery, thereby enhancing treatment convenience and overall therapeutic outcomes.

DIABETIC FOOT INFECTION DRUG MARKET

Overview of Diabetic Foot Infection

Diabetic foot infection ("**DFI**") is one of the most common and severe complications of diabetes mellitus. It typically occurs in patients with peripheral neuropathy, peripheral arterial disease, and/or poor glycaemic control, often developing from minor skin injuries or chronic foot ulcers that become colonized and infected by pathogenic microorganisms. Accordingly, as DFI develops within a pre-existing wound, typically a diabetic foot ulcer, that subsequently becomes colonized and infected, rather than the infection itself being the originating cause of the wound, it constitutes a form of secondary wound infection and is not considered a primary wound infection. A primary wound infection refers to an infection in which microbial invasion is the initial cause of the wound, as distinct from an infection that arises as a complication of a wound already present. Infection may progress to deep soft tissue involvement, abscess formation, osteomyelitis, and systemic infection, significantly impairing wound healing. According to the World Health Organization (WHO), diabetic foot complications remain a major global health burden, with a lower-limb amputation occurring approximately every 20 seconds worldwide. A substantial number of patients suffer from chronic, non-healing foot ulcers associated with high risks of infection, amputation, and mortality. Current therapies are mainly systemic antibiotics, which have gaps in coverage against drug-resistant pathogens and may fail to reach effective concentrations in ischemic or poorly perfused wounds, leaving significant unmet medical needs for more effective and targeted treatments. In recent years, the number of innovative drugs approved for diabetic foot infections (DFI) has been relatively limited. This scarcity does not indicate a lack of clinical demand. Instead, it primarily stems from the overarching challenges of anti-infective research and development alongside the inherent complexities of designing DFI clinical trials.

In real-world clinical practice, the DFI patient population continues to expand rapidly. Existing treatment paradigms face significant limitations due to complex underlying systemic diseases, the unique microenvironment of diabetic wounds, and the escalating global crisis of antimicrobial resistance. Current treatments heavily rely on traditional systemic antibiotics. These standard options often yield limited efficacy and carry a high risk of infection recurrence. Furthermore, they frequently fail to halt disease progression toward lower extremity amputation. There remains a profound unmet clinical need for therapies that offer stable efficacy, robust resistance control, and effective localized infection management. From a pharmacoeconomic perspective, the severe financial burden associated with prolonged hospitalizations and amputations creates a strong market willingness to pay for innovative therapies that can effectively resolve infections and accelerate wound healing.

Against this backdrop, new anti-infective therapies featuring differentiated mechanisms of action demonstrate immense clinical and commercial value. This is especially true for drugs designed to overcome multi-drug resistance and optimized for topical or localized application. By delivering high therapeutic concentrations directly to the infection site while minimizing systemic toxicity, our core product directly addresses the shortcomings of traditional antibiotics. Therefore, the limited number of historical drug approvals in this space actually highlights an uncrowded competitive landscape. The combination of urgent unmet medical needs and a continuously growing patient base robustly confirms the commercial viability of our core product. Its differentiated clinical profile perfectly positions it to capture significant market share and capitalize on substantial commercialization opportunities.

Global and China Incidence of Diabetic Foot Infection, 2020–2035E

Global incidence number of diabetic foot infection increased slightly from 29.7 million in 2020 to 32.5 million in 2025. The number is expected to increase to 36.0 million in 2030 at a CAGR of 2.1% from 2025 to 2030. The number is expected to grow to 40.3 million in 2035, at a CAGR of 2.3%.

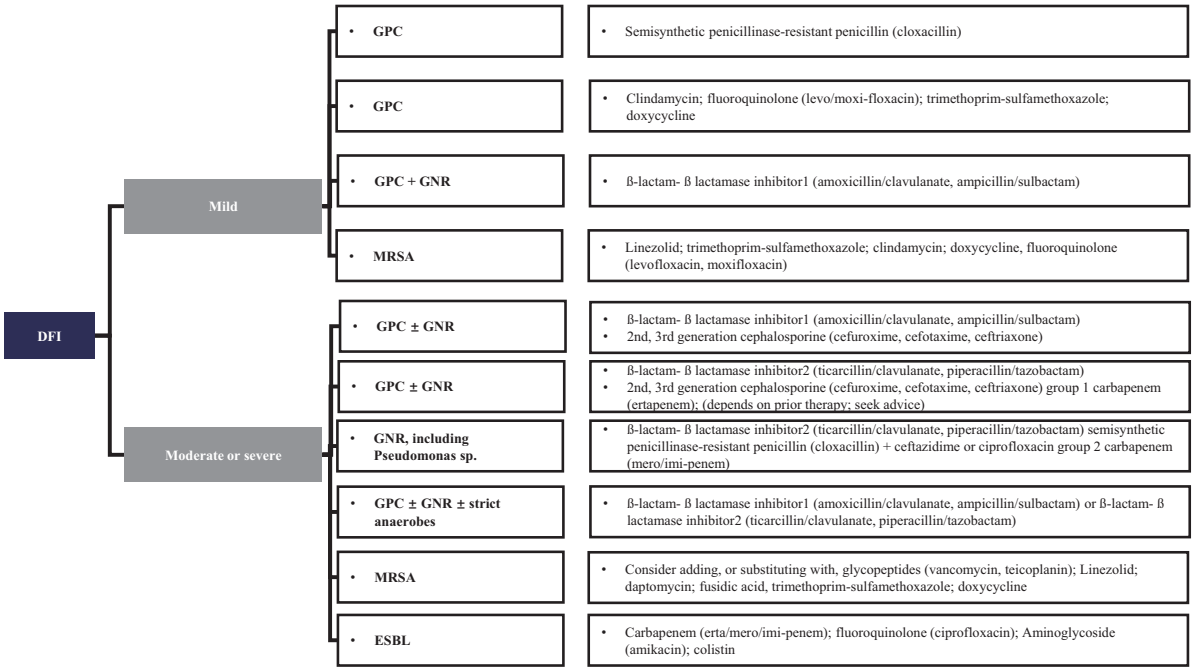
Incidence number of diabetic foot infection in China increased from 10.4 million in 2020 to 10.7 million in 2025. The number is expected to increase to 11.5 million in 2030 at a CAGR of 1.5% from 2025 to 2030. The number is expected to grow to 12.4 million in 2035, at a CAGR of 1.4%.

Incidence number of diabetic foot infection in the US increased from 0.8 million in 2020 to 1.0 million in 2025. The number is expected to increase to 1.2 million in 2030 at a CAGR of 4.1% from 2025 to 2030. The number is expected to grow to 1.5 million in 2035, at a CAGR of 3.5%.

Treatment Paradigm for Diabetic Foot Infection

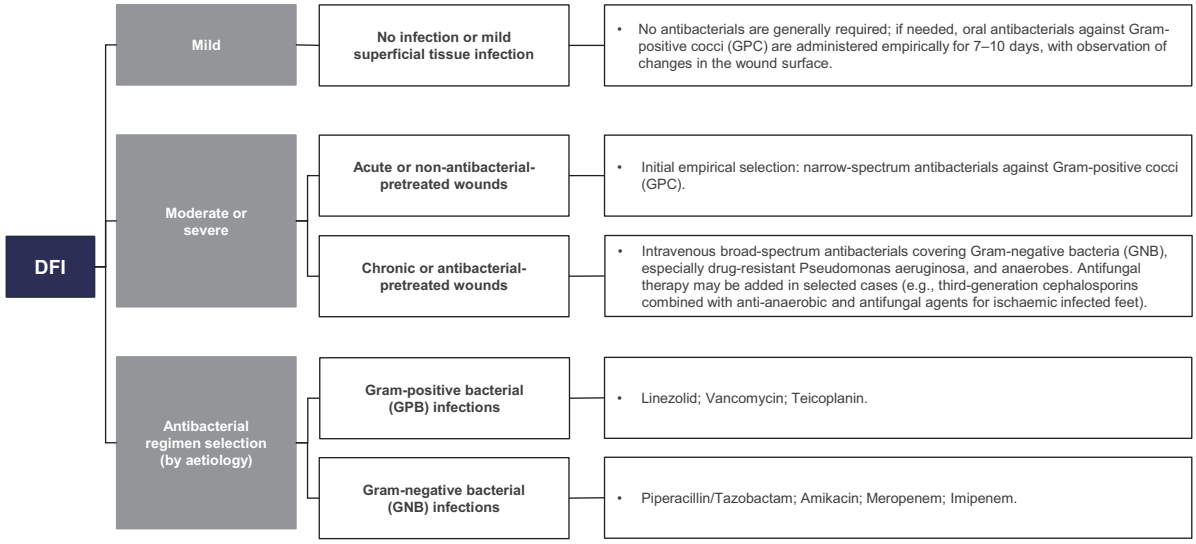
The treatment paradigm for DFI is guided by infection severity, pathogen spectrum, and the presence of ischemia or osteomyelitis. Mild infections typically involve superficial skin and soft tissue, whereas moderate to severe infections may involve deeper structures and systemic manifestations. The current treatment strategies emphasize culture-guided antimicrobial therapy, surgical debridement of necrotic tissue, optimisation of local wound care, and correction of underlying metabolic and vascular abnormalities. DFI is often characterised by mixed infections, involving Gram-positive bacteria, Gram-negative bacteria, and, in some cases, fungi, with multidrug-resistant pathogens accounting for approximately 20% of cases. This complexity necessitates careful antimicrobial stewardship and often prolonged treatment courses, increasing clinical and economic burden.

Treatment Paradigm for Diabetic Foot Infection in U.S.



Source: IWGDF/IDSA 2023, Frost & Sullivan Analysis

Treatment Paradigm of Diabetic Foot in China



Source: 《中國糖尿病足診治臨床路徑 (2023版)》, Literature Review, Frost & Sullivan Analysis

Global Marketed Diabetic Foot Infection Drug

As of the Latest Practicable Date, the FDA has approved only two drugs, although these products were not specifically developed for diabetic foot infections.

Global Competitive Landscape for Diabetic Foot Infection Pipelines

As of the Latest Practicable Date, the global clinical pipeline for diabetic foot infection remains limited, with only two clinical-stage candidates identified worldwide, both in Phase II development.

Diabetic Foot Infection Drugs Approved by FDA

Genetic Name	Brand Name	Target /MOA	Company	Indication	Category	Administration	Approval Date	Medical Insurance Inclusion Status	Price USD /Unit	Dosage Form	Frequency	Cost per Patient (USD)
Ertapenem	INVANZ	PBPs	MSD	Complicated skin and skin structure infections, including diabetic foot infections, without concomitant osteomyelitis	Antibacterial	Injection	2001/11/21	Medicare Part B	136.4	1g	Once daily	~1,240
Linezolid	ZYVOX	30S rProteins, 50S rProteins	Pfizer	Complicated skin and skin structure infections, including diabetic foot infections without osteomyelitis	Antibacterial	Oral	2000/4/18	Medicare Part D	265.1	0.6g	Twice daily	~7,400

1. *Only includes originator, excluding generic drugs and products no longer marketed*
2. *PBPs=Penicillin-Binding Proteins*

Source: FDA, Frost & Sullivan analysis

Global Competitive Landscape of Pipelines for Treatment of Diabetic Foot Infection

Pipeline	Phase	Target/MOA	Company	Indication	Category	Administration	First posted date
TP-102	Phase II	Bacteriophage lysis	TechnoPhage	Diabetic foot infection	Phage	Topical	2023/7/17
PL-5	Phase II	Membrane discrimination mechanism	ProteLight	Diabetic foot infection	Antibacterial/Antifungal	Spray	2024/1/3

1. *Only includes originator, excluding generic drugs*
2. *Only including antibacterial and antifungal agent pipelines first posted over the past three years*

Source: ClinicalTrials, FDA, Frost & Sullivan analysis

Diabetic Foot Infection Drugs Approved by NMPA

Genetic Name	Brand Name	Target/MOA	Company	Indication	Category	Administration	Approval Date	NRDL Inclusion Year	Price RMB /Unit	Dosage Form	Frequency	Cost per Patient (RMB)
Piperacillin+ Tazobactam	Tazocin 特治星	β-lactamase inhibitor, PBP inhibitor	Pfizer	Diabetic foot infection, etc.	Antibacterial	Injection	1996/7/12	2009	200/vial	4.5g	6-12 hour (once)	~5,300
Linezolid	Zyvox 斯沃	30S rProteins, 50S rProteins	Pfizer	Diabetic foot infection, etc.	Antibacterial	Oral	2006/9/12	2009	120-180/tablet	0.6g	8-12 hour (once)	~2,400

Note: Only includes originator, excluding generic drugs

Source: NMPA, Frost & Sullivan Analysis

China Competitive Landscape of Pipelines for Treatment of Diabetic Foot Infection

Pipeline	Phase	Target/MOA	Company	Indication	Category	Administration	First posted date
MRX-4	Phase III	50S ribosomal subunit	MicuRx	Diabetic foot infection (moderate to severe)	Antibacterial	Injection/Oral	2022/7/25
MK0826	Phase III	PBP inhibitor	Merck	Diabetic foot infection	Antibacterial	Injection	2014/4/2

1. *Only includes originator, excluding generic drugs*
2. *Only including antibacterial and antifungal agent pipelines first posted over the past three years*

Source: CDE, Frost & Sullivan analysis

Global and China Diabetic Foot Infection Drug Market, 2020–2030E

The global market for diabetic foot infection (DFI) drugs reached USD3.1 billion in 2025 and is projected to grow to USD3.4 billion by 2030. The diabetic foot infection drug market in U.S. in 2025 is USD1.2 billion. It is estimated that the diabetic foot infection drug market will grow to USD1.4 billion in 2030. This steady yet moderate expansion reflects a mature therapeutic landscape that is increasingly focused on high-value interventions to mitigate the severe risk of lower-limb amputations. As diabetes becomes a chronic lifelong condition for a growing patient base, the market is shifting toward advanced anti-infectives that can penetrate complex biofilms and address the rising prevalence of multi-drug resistant (MDR) pathogens in chronic ulcers.

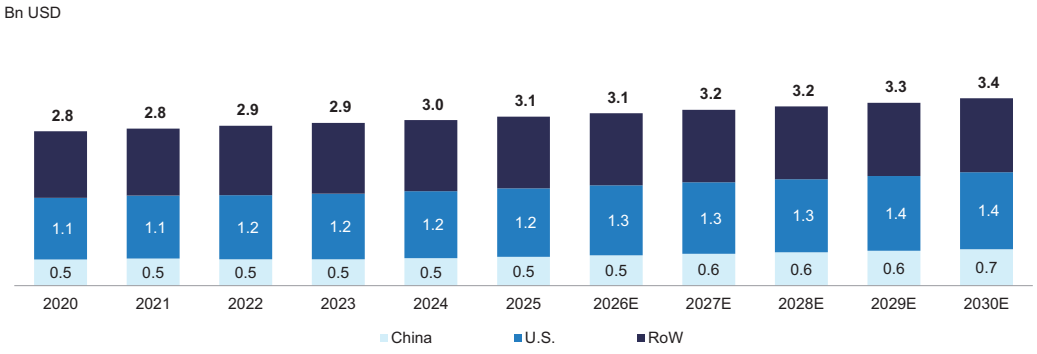
In 2025, the DFI drug market in China was valued at USD0.5 billion and is estimated to reach USD0.7 billion by 2030. This growth outpaces the global average, driven by China's significant diabetic population and the intensifying clinical burden of late-stage complications. The market trajectory is characterized by a rapid transition toward specialized anti-infective regimens, catalyzed by improved diagnostic rates and the integration of innovative therapies into the National Reimbursement Drug List.

US Diabetic Foot Infection Drug Market by Severity of Diabetic Foot Infection, 2020–2030E

The DFI anti-infective drug market can be segmented by severity, in line with the IWGDF/IDSA classification, into mild infection (Grade 2) and moderate-to-severe infection (Grade 3 to 4).In the U.S., the mild infection segment increased from USD0.3 billion in 2020 to USD0.3 billion in 2025. The market is expected to increase to USD0.4 billion in 2030 at a CAGR of 3.4% from 2025 to 2030, outpacing the moderate-to-severe infection segment, which is expected to grow at a CAGR of 1.9% over the same period. In 2025, the addressable market for the PL-5 was approximately USD0.3 billion in the U.S..

Global, China, and U.S. Diabetic Foot Infection Drug Market Size, 2020-2030E

Period	CAGR		
	China	U.S.	Global
2020-2025	2.1%	2.1%	1.8%
2025-2030E	4.8%	2.4%	2.1%



Source: Annual reports, expert interviews, Frost & Sullivan Analysis

Growth Drivers and Future Trends of Diabetic Foot Infection Drug Market

Rising Incidence Among a Growing Diabetic Population: In both China and the United States, the DFI drug market is driven primarily by the rising incidence of DFI, a complication that expands in step with the diabetic population as diabetic foot ulcers become infected. In China, DFI incidence rose from 10.4 million cases in 2020 to 10.7 million cases in 2025 and is projected to reach 11.5 million cases by 2030 (CAGR of 1.5% from 2025 to 2030). In the United States, DFI incidence rose from 1.0 million cases in 2025 and is projected to reach 1.2 million cases by 2030 (CAGR of 4.1% from 2025 to 2030). As DFI is typically polymicrobial, highly recurrent and, in severe cases, progresses to osteomyelitis and amputation, each case generates repeated and prolonged anti-infective treatment, making the enlarging patient base a key driver of the market in both geographies.

Resistant and Complex Infection Drive Market: The diabetic foot infection (DFI) market is driven by urgent clinical needs, a growing patient base, and high economic value. DFI often involves multidrug-resistant pathogens and biofilms, making conventional antibiotics less effective and creating demand for therapies like antimicrobial peptides that disrupt bacterial membranes and biofilm-resident bacteria. Mixed aerobic and anaerobic infections further support the need for broad-spectrum coverage. Severe cases with deep tissue involvement or osteomyelitis represent high-value segments, while more effective therapies can reduce amputations, hospital stays, and repeated interventions.

Peptide Therapeutics and Delivery Innovation. The market is increasingly focused on peptide-based anti-infective drugs optimized for stability, selectivity, and local safety. Topical spray formulations enable direct application to infected wounds, allowing high local drug concentrations at the site of infection while minimizing systemic exposure. For diabetic foot infections, this local

delivery approach is particularly advantageous in ischemic or poorly perfused tissues where systemic antibiotics often fail to achieve effective concentrations, thereby improving antimicrobial efficacy, biofilm penetration, and overall treatment convenience.

Challenges, Threats, and Entry Barriers of Diabetic Foot Infection Drug Market

Market Challenges: Diabetic foot infections typically involve compromised blood flow, significantly reducing the effectiveness of conventional systemic treatments. This underlying pathology heavily complicates clinical trial recruitment and therapeutic validation across global and Chinese healthcare systems. Overcoming these physiological barriers necessitates advanced therapies engineered for targeted local delivery directly at the wound site.

Market Threats: The high risk of rapid amputation frequently forces cautious physicians to bypass experimental drugs and immediately rely on established surgical interventions alongside heavy antibiotic protocols. This deeply entrenched, risk averse clinical behavior severely limits the ability of novel pharmacological therapies to gain wide adoption among medical specialists. Notwithstanding the above, innovative therapies with clear differentiated clinical value, particularly in settings where existing treatments have limited efficacy or where antimicrobial resistance is a concern, may still achieve relatively rapid adoption in clinical practice.

Market Entry Barriers: Developing targeted DFI drugs requires coordinating complex multidisciplinary clinical trial sites involving podiatrists, endocrinologists, and infectious disease specialists. Furthermore, both the FDA and China's NMPA mandate highly specific tissue culture validations and strict DFI specific non inferiority margins. These requirements create massive regulatory and logistical barriers that heavily block standard pharmaceutical companies lacking dedicated diabetic complication research divisions.

OROPHARYNGEAL CANDIDIASIS DRUG MARKET

Overview of Oropharyngeal Candidiasis

Oropharyngeal candidiasis ("**OPC**") is a fungal infection of the oral cavity and the oropharynx, primarily caused by *Candida* species, most commonly *Candida albicans*. It typically presents with white plaques or patches on the tongue, inner cheeks, palate, and/or the oropharyngeal mucosa, and may be accompanied by erythema, soreness, burning sensation, and, in more severe cases, dysphagia. Common risk factors include immunosuppression, diabetes, antibiotic or corticosteroid use, denture wearing, and poor oral hygiene. While OPC is generally treatable with topical or systemic antifungal agents, recurrent, persistent, or severe cases may require prolonged treatment and ongoing monitoring, particularly in high-risk patient populations.

Global and China Prevalence of Oropharyngeal Candidiasis, 2020–2035E

The global prevalence of OPC increased from 534.2 million cases in 2020 to 580.9 million cases in 2025, representing a CAGR of 1.8% over the period from 2020 to 2025. The number of cases is projected to increase to 622.5 million by 2030, at a CAGR of 1.4% from 2025 to 2030, and further to 659.3 million by 2035, at a CAGR of 1.2% from 2030 to 2035.

In China, the prevalence of OPC increased from 78.0 million cases in 2020 to 81.7 million cases in 2025, corresponding to a CAGR of 0.9% over the same period. The number of cases is expected to rise to 85.3 million by 2030, at a CAGR of 0.9% from 2025 to 2030, and further to 88.5 million by 2035, at a CAGR of 0.7% from 2030 to 2035.

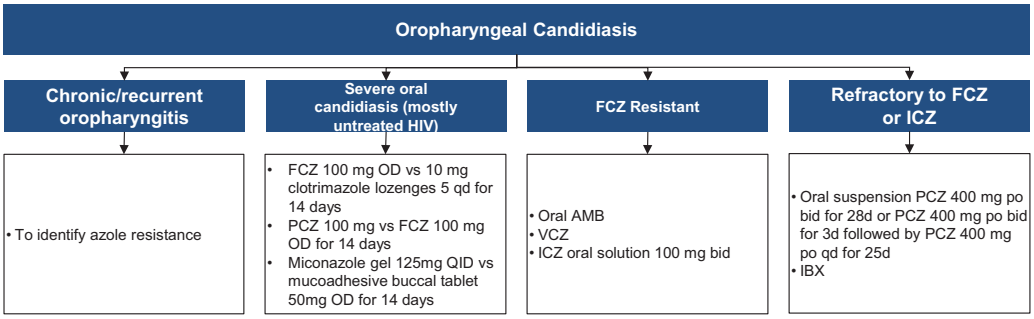
In the US, the prevalence of OPC increased from 20.9 million cases in 2020 to 21.7 million cases in 2025, corresponding to a CAGR of 0.8% over the same period. The number of cases is expected to rise to 22.2 million by 2030, at a CAGR of 0.5% from 2025 to 2030, and further to 22.7 million by 2035, at a CAGR of 0.4% from 2030 to 2035.

Treatment Paradigm for Oropharyngeal Candidiasis

The treatment paradigm for OPC is primarily based on antifungal drug therapy, with treatment selection guided by disease severity, antifungal resistance profile, prior treatment response, and underlying patient conditions. Clinical management generally follows a stepwise approach, escalating from topical to systemic therapy as disease severity increases or resistance emerges. In China, treatment strategies for OPC are broadly divided into topical antifungal therapy and systemic antifungal therapy. Despite regional differences in treatment pathways, current standard-of-care therapies remain centred on

azole-based antifungal agents, with escalation to other antifungal classes primarily occurring in resistant or refractory cases. Limitations of existing therapies include emerging antifungal resistance, variable clinical efficacy, systemic exposure associated with oral therapies and challenges related to patient adherence, highlighting the need for more effective and convenient treatment options.

Treatment Paradigm for Oropharyngeal Candidiasis



Notes: bid=twice a day; FCZ=fluconazole; IBX=ibrexafungerp; ICZ=itraconazole; LD=loading dose; N=number of subjects investigated; po=orally; PCZ=posaconazole; QoE=quality of evidence; SoR=strength of recommendation; VCZ=voriconazole.

Source Global guideline for the diagnosis and management of candidiasis: an initiative of the ECMM in cooperation with ISHAM and ASM, Literature Review, Frost & Sullivan Analysis

Global and China-Marketed Oropharyngeal Candidiasis Drugs

As of the Latest Practicable Date, three antifungal originator drugs have been approved for the treatment of OPC in both the United States and China.

Table 10 Oropharyngeal Candidiasis Drugs Approved by FDA

Genetic Name	Brand Name	Target/MOA	Company	Indication	Category	Administration	Approval Date	Medical Insurance Inclusion Status	Cost per Patient (USD)
Miconazole	Oravig	CYP51	Galt Pharmaceuticals	OPC	Antifungal	Oral (buccal)	2010/4/16	NA	~1,500
Posaconazole	Noxafil	CYP51	Merk Sharp & Dohme B.V.	OPC	Antifungal	Oral	2006/9/15	Medicare Part D	~1,100
Fluconazole	Diflucan	CYP51	Pfizer	OPC, etc	Antifungal	Oral	1990/1/29	Medicare Part D	~50

1. *Only includes originator, excluding generic drugs*

Source: FDA, Frost & Sullivan analysis

Table 11 Oropharyngeal Candidiasis Drugs Approved by NMPA

Genetic Name	Brand Name	Target/MOA	Company	Indication	Category	Administration	Approval Date	NRDL Inclusion Year	Price RMB /Unit	Dosage Form	Frequency	Cost per Patient (RMB)
Posaconazole	Noxafil	CYP51	Merk Sharp & Dohme B.V.	OPC, etc	Antifungal	Oral	2013/6/3	2017	1,540.0	105ml (40mg/ml)	One to three times a day	~1,540
Itraconazole	Sporanox	CYP51	Janssen	OPC, etc	Antifungal	Oral	2003/12/31	2009	587.5	150ml:1.5g	Twice a day/once daily	~590
Fluconazole	Diflucan	CYP51	Pfizer	OPC, etc	Antifungal	Oral, injection	1990/11/22	2009	131.3	50mg	Once daily	~3,900

1. *Only includes originator, excluding generic drugs*

Source: NMPA, Frost & Sullivan analysis

Overseas and China Competitive Landscape for Oropharyngeal Candidiasis Pipelines

As of the Latest Practicable Date, no clinical-stage pipeline candidates have been identified overseas with OPC, and only one active pipeline candidate (PL-3301) has been identified in China.

Table 12 China Competitive Landscape for Oropharyngeal Candidiasis Pipelines

Pipeline	Phase	Target/MOA	Company	Indication	Category	Administration	First posted date
PL-3301 . . .	Phase II	Bacterial and fungal cell membranes	ProteLight	OPC	Antibacterial/ Antifungal	Oral (Thermosensitive gel)	2026/8/19

Notes: only includes originator, excluding generic drugs; only including pipelines first posted over the past three years;

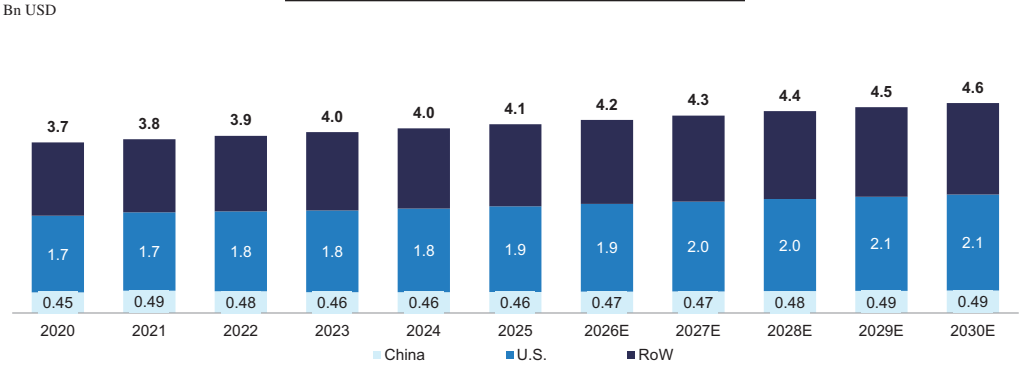
Source: CDE, Frost & Sullivan analysis

Global and China Oropharyngeal Candidiasis Drug Market, 2020–2030E

The global OPC drug market reached USD4.1 billion in 2025. Driven by a growing at-risk population and sustained demand for antifungal therapies, the global market is expected to expand to USD4.6 billion by 2030. Over the historical period from 2020 to 2025, the market grew at a CAGR of 2.1%, and is projected to grow at 2.2% from 2025 to 2030. In 2025, oropharyngeal candidiasis drug market in U.S. is USD1.9 billion. It is estimated that the oropharyngeal candidiasis drug market in U.S. will grow to USD2.1 billion in 2030. In China, the OPC drug market reached USD0.46 billion in 2025. The market is expected to grow to USD0.49 billion by 2030. The China market recorded a CAGR of 0.4% from 2020 to 2025, and is projected to grow at 1.3% from 2025 to 2030. The continuous growth is underpinned by the essential nature of antifungal therapies in managing opportunistic infections and improving the quality of life for chronic disease patients. While the growth rate remains moderate, the market is seeing a qualitative shift toward next-generation antifungal agents that offer improved mucosal adhesion and reduced systemic side effects, ensuring a resilient and defensive value proposition within the broader anti-infective landscape.

Global, China, and U.S. Oropharyngeal Candidiasis Drug Market Size, 2020–2030E

Period	CAGR		
	China	U.S.	Global
2020–2025	0.4%	2.2%	2.1%
2025–2030E	1.3%	2.3%	2.2%



Source: Annual reports, expert interviews, Frost & Sullivan Analysis

Growth Drivers and Future Trends of Oropharyngeal Candidiasis Drug Market

Disease Burden Driving Next-Generation Antifungal Therapies The OPC drug market is driven by a high and rising disease burden, particularly among immunocompromised populations, the elderly and patients with diabetes, as well as by recurrent infections and suboptimal responses to conventional azole therapies. Symptom severity, including oral pain and dysphagia, sustains treatment demand. In addition, widespread use of broad-spectrum antibiotics, poor oral hygiene and improved clinical awareness continue to expand diagnosis and treatment rates. Looking ahead, the market is expected to evolve toward next-generation non-azole and peptide-based therapies supported by advanced local delivery platforms, such as thermosensitive and mucoadhesive formulations, to enhance local retention and efficacy. Long-acting, targeted topical therapies are anticipated to gain wider adoption, particularly in recurrent disease and high-risk populations, and are expected to serve as an important pathway for the early commercialisation of innovative antifungal technologies.

Challenges, Threats, and Entry Barriers of Oropharyngeal Candidiasis Drug Market

Market Challenges: Maintaining consistently effective drug concentrations within the dynamic oral cavity despite constant salivary washout presents a massive pharmacological challenge. Additionally, ensuring rapid fungicidal action without introducing severe local irritation or bitter tastes is essential for significantly improving historically poor patient compliance rates across both global and Chinese healthcare markets.

Market Threats: The rapid evolutionary emergence of highly azole-resistant fungal strains aggressively threatens to permanently neutralize existing clinical pipelines. Overcoming this severe threat and suppressing cheap over-the-counter generics requires introducing entirely novel fungicidal mechanisms that physically rupture fungal cell walls, actively preventing the pathogen's ability to mutate or develop long-term resistance.

Market Entry Barriers: Successful market entry absolutely requires proprietary mucoadhesive formulation technologies capable of surviving continuous dilution while rapidly delivering powerful fungicidal payloads. Disrupting heavily saturated markets demands exclusive patents for advanced, non-azole mechanisms specifically engineered for instantaneous localized action, erecting massive biochemical barriers exclusively isolating this highly specialized oral drug delivery sector.

GYNECOLOGICAL FUNGAL INFECTION DRUG MARKET

Overview of Gynecological Fungal Infection and Vulvovaginal Candidiasis

Gynecological fungal infections are primarily caused by *Candida* species and most commonly affect the vulva and vagina, leading to conditions such as vulvovaginal candidiasis. These infections typically present with symptoms including vaginal itching, abnormal discharge, burning sensation, and local discomfort. Common predisposing factors include hormonal changes, pregnancy, diabetes, antibiotic use, and immunosuppression, which may disrupt the normal vaginal microecological balance and facilitate fungal overgrowth. While the majority of gynecological fungal infections are mild and responsive to antifungal treatment, recurrent or complicated infections may occur and can have a material impact on quality of life. Effective management generally requires accurate diagnosis, appropriate topical or systemic antifungal therapy, and management of underlying risk factors to reduce recurrence and disease burden.

Vulvovaginal candidiasis ("**VVC**") is the most common form of gynecological fungal infection, predominantly caused by *Candida albicans*. It is characterised by pruritus, irritation, abnormal vaginal discharge and discomfort, and represents a frequent reason for gynecological consultation among women of reproductive age. Risk factors include antibiotic use, hormonal fluctuations (such as pregnancy or contraceptive use), diabetes, immunosuppression and elevated estrogen levels. Although most cases of acute VVC are treatable with topical or oral antifungal agents, recurrent VVC, commonly defined in clinical practice as four or more episodes per year, generally requires longer treatment duration or maintenance therapy. Recurrent VVC is often associated with reduced quality of life, and in some cases involves *non-albicans Candida* species with reduced susceptibility to conventional azole antifungals.

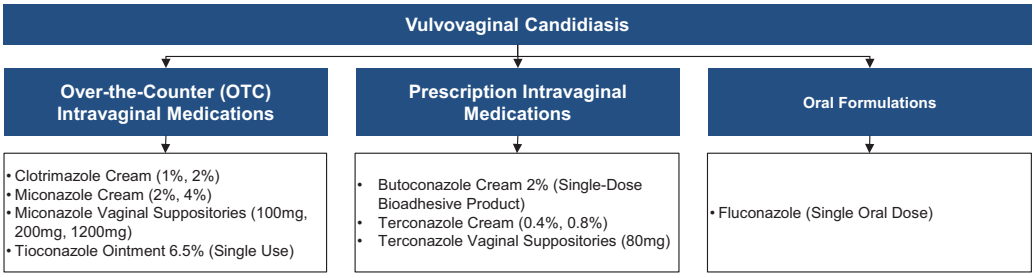
Global and China Prevalence of Vulvovaginal Candidiasis, 2020–2035E

The global prevalence of VVC increased from 445.0 million cases in 2020 to 470.2 million cases in 2025. Driven by demographic factors and persistent predisposing conditions, the number of VVC cases is projected to increase to 494.2 million by 2030, representing a CAGR of 1.0% from 2025 to 2030, and further to 516.7 million by 2035, at a CAGR of 0.9% from 2030 to 2035. In China, the prevalence of VVC increased from 78.8 million cases in 2020 to 80.0 million cases in 2025. The number of cases is expected to grow to 80.8 million by 2030, corresponding to a CAGR of 0.2% from 2025 to 2030, and further to 81.5 million by 2035, at a CAGR of 0.2% from 2030 to 2035. In the US, the prevalence of VVC increased from 9.4 million cases in 2020 to 9.9 million cases in 2025. The number of cases is expected to grow to 10.3 million by 2030, corresponding to a CAGR of 0.8% from 2025 to 2030, and further to 10.7 million by 2035, at a CAGR of 0.7% from 2030 to 2035.

Treatment Paradigm for Vulvovaginal Candidiasis

The treatment paradigm for VVC is primarily based on antifungal therapy, with treatment selection varying by disease severity, recurrence status, causative *Candida* species, and patient characteristics, as reflected in clinical practice in both the United States and China. In the United States, treatment primarily comprises over-the-counter and prescription intravaginal azole formulations, supplemented by single-dose oral fluconazole, forming a relatively standardised regimen for uncomplicated cases, while in China, treatment strategies are more stratified by clinical scenarios, with different regimens adopted for uncomplicated and complicated cases, non-albicans infections, pregnancy, host abnormalities and drug-resistant *Candida*. According to Frost & Sullivan, more than 50% of patients experience recurrence after completion of consolidation therapy, and the recurrence rate increases to 80.9% after discontinuation of weekly maintenance treatment. In addition, existing therapies show reduced efficacy against non-albicans species and face patient adherence challenges associated with repeated or prolonged treatment regimens, indicating structural limitations of current treatment options and an ongoing need for more effective, durable and patient-friendly therapies.

Treatment Paradigm for Vulvovaginal Candidiasis



Source Sexually Transmitted Infections Treatment Guidelines 2021, Frost & Sullivan Analysis

Overseas and China-Marketed Vulvovaginal Candidiasis Drugs

As of the Latest Practicable Date, only four drugs approved for the treatment of VVC both in the United States and China.

Vulvovaginal Candidiasis Drugs Approved by FDA

Genetic Name	Brand Name	Target/MOA	Company	Indication	Category	Administration	Approval Date	Medical Insurance Inclusion Status	Cost per Patient (USD)
Oteseconazole	VIVJOA	CYP51	Mycovia Pharmaceuticals	RRVVC	Antifungal	Oral	2022/4/26	Medicare Part D	~3,000
Ibrexafungerp	BREXAFEMME	Glucan synthase	GSK	VVC	Antifungal	Oral	2021/6/1	Medicare Part D	~540
Fluconazole	DIFLUCAN	CYP51	Pfizer	VVC, etc.	Antifungal	Oral	1990/1/29	Medicare Part D	~6
Miconazole	MONISTAT 7	CYP51	Medtech Products	VVC	Antifungal	Topical	1974/1/30	—	~20

1. *Only includes originator, excluding generic drugs*

Source: FDA, Frost & Sullivan analysis

Vulvovaginal Candidiasis Drugs Approved by NMPA

Genetic Name	Brand Name	Target/MOA	Company	Indication	Category	Administration	Approval Date	NRDL Inclusion Year	Price RMB /Unit	Dosage Form	Frequency	Cost per Patient (RMB)
Ibrexafungerp	恒美達	Glucan synthase	Scynexis/Hansen	VVC	Antifungal	Oral	2025/4/1	—	NA	0.15g	Twice a day/once daily	NA
Oteseconazole	瑞必康	CYP51	Mycovia Pharmaceuticals	VVC	Antifungal	Oral	2023/6/27	2024	1,680.0	0.15g	Once daily	~1,680
Itraconazole	Sporanox	CYP51	Janssen	VVC, etc.	Antifungal	Oral	2000/2/9	2009	587.5	150ml:1.5g	Twice a day/once daily	~90
Clotrimazole	Canesten	CYP51	Bayer	VVC	Antifungal	Topical	1999/7/28	2009	37.2	0.5g	One-five times daily	~37

1. *Only includes originator, excluding generic drugs*

Source: NMPA, Frost & Sullivan analysis

Overseas and China Competitive Landscape for Vulvovaginal Candidiasis Pipelines

As of the Latest Practicable Date, only two active Overseas pipeline candidates, which is currently in Phase I/II clinical development for VVC and bacterial vaginitis. In China, only two active competitive landscape of VVC drug pipelines.

Overseas Competitive Landscape for Vulvovaginal Candidiasis Pipelines

Pipeline	Phase	Target/MOA	Company	Indication	Category	Administration	First posted date
BGY-1601	Phase I/II	Microbiome modulation	Nexbiome Therapeutics	VVC, BV	Microbiome-based therapy	Topical	2024/6/10
PL-18	Phase I	Membrane discrimination mechanism	ProteLight	Colpomycosis, bacterial vaginosis, mixed vaginitis	Antibacterial/Antifungal	Topical(Suppository)	2022/4/22

1. *Only includes originator, excluding generic drugs*
2. *Only including pipelines first posted over the past four years*

Source: FDA, Frost & Sullivan analysis

Table 16 China Competitive Landscape for Vulvovaginal Candidiasis Pipelines

Pipeline	Phase	Target/MOA	Company	Indication	Category	Administration	First posted date
WXSH0102 . . .	Phase II	NA	Cisen pharmaceutical	VVC	Antifungal	Oral	2024/12/25
PL-18.	Phase I/II	Bacterial and fungal cell membranes	ProteLight	VVC	Antibacterial/ Antifungal	Topical (Suppository)	2023/8/14
GLS-W1100 . . .	Phase I	NA	Hangzhou Grand Biologic	VVC	Biologics	Topical	2025/4/11

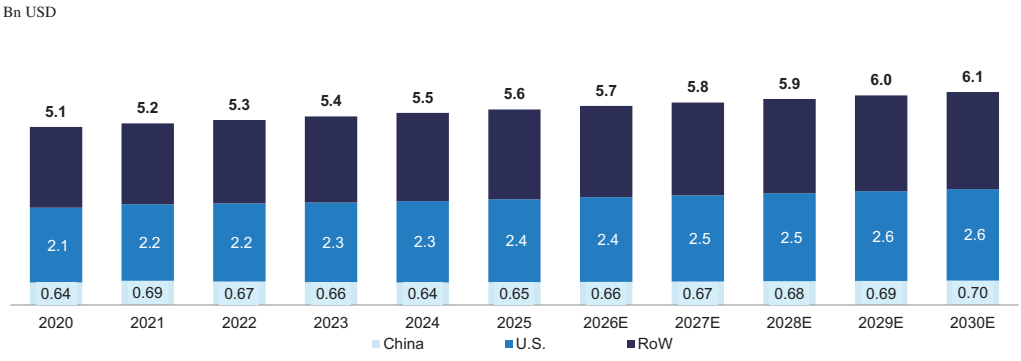
Notes: only includes originator, excluding generic drugs; only including pipelines first posted over the past three years.
Source: CDE, Literature research, Frost & Sullivan analysis

Global and China Vulvovaginal Candidiasis Drug Market, 2020–2030E

The global VVC drug market reached USD5.6 billion in 2025, and is expected to grow to USD6.1 billion by 2030. Over the period from 2020 to 2025, the market grew at a CAGR of 1.9%, and is projected to grow at a CAGR of 1.7% from 2025 to 2030. In 2025, the vulvovaginal candidiasis drug market in U.S. is USD2.4 billion. It is estimated that the vulvovaginal candidiasis drug market in U.S. will grow to USD2.6 billion in 2030 at a CAGR of 2.1%. In China, the VVC drug market amounted to USD0.65 billion in 2025. The market is estimated to increase to USD0.70 billion by 2030. From 2020 to 2025, the China VVC drug market expanded at a CAGR of 0.3%, and is projected to grow at a CAGR of 1.4% from 2025 to 2030. This steady trajectory is underpinned by the essential nature of VVC treatments and an increasing clinical focus on Recurrent VVC (RVVC), which necessitates long-term management and more sophisticated therapeutic regimens. While the overall growth remains moderate, the market is undergoing a qualitative transformation as patient demand shifts to localized therapies with superior safety profiles. This transition to next-generation treatments is expected to bolster market value, providing a highly resilient and defensive revenue base for industry participants.

Global, China, and U.S. Vulvovaginal Candidiasis Drug Market Size, 2020–2030E

Period	CAGR		
	China	U.S.	Global
2020–2025	0.3%	2.1%	1.9%
2025–2030E	1.4%	2.0%	1.7%



Source: Annual reports, expert interviews, Frost & Sullivan Analysis

Growth Drivers and Future Trends of Vulvovaginal Candidiasis Drug Market

Limitations of Traditional Therapies and Unmet Needs: The growth of the VVC drug market is primarily driven by the limitations of existing azole-based therapies and evolving patient and regulatory dynamics. A substantial proportion of recurrent VVC patients exhibit poor response or resistance to conventional treatments, creating demand for therapies with novel mechanisms of action. Mixed infections further complicate diagnosis and treatment, supporting the need for broader-spectrum solutions.

Innovative and Differentiated Therapies: The future VVC drug market is expected to evolve toward more innovative and differentiated therapeutic approaches. Antimicrobial peptides and other membrane-targeting agents are being developed to address drug resistance and recurrent disease, while advances in formulation technologies are enabling longer-acting and more convenient vaginal delivery systems.

Challenges, Threats, and Entry Barriers of Vulvovaginal Candidiasis Drug Market

Market Challenges: Treating vulvovaginal candidiasis globally and in China faces significant clinical obstacles, particularly frequent disease recurrence and widespread patient independent medication practices. Unsupervised drug misuse frequently causes inaccurate diagnoses and inappropriate early treatments. Furthermore, balancing potent fungal eradication with the essential preservation of healthy natural vaginal microbiomes remains a highly complex pharmacological challenge for medical researchers.

Market Threats: The rapid emergence of severe antifungal resistance, specifically against widely used azole treatments like fluconazole, aggressively threatens the clinical efficacy of existing global pipelines. Additionally, the massive market availability of extremely cheap generic alternatives constantly exerts heavy downward pressure on prices, drastically reducing the overall commercial profitability of newly introduced premium prescription antifungal medications.

Market Entry Barriers: Manufacturers must successfully master highly localized vaginal drug delivery platforms, such as thermosensitive bioadhesive gels, ensuring prolonged targeted exposure. Furthermore, establishing incredibly rigid intellectual property surrounding uniquely selective, microbiome-sparing molecular mechanisms creates an unimaginably steep scientific barrier, completely blocking standard pharmaceutical companies relying on indiscriminate, outdated conventional antifungal active ingredients.

MARKET ANALYSIS OF OTHER INDICATIONS FOR PEPTIDE DRUG

Obesity

Overview of Obesity

Obesity is a chronic metabolic disease characterised by excessive body fat accumulation and is a major risk factor for multiple comorbidities, including cardiovascular diseases, type 2 diabetes, MASH, and obstructive sleep apnea. The global burden of overweight and obesity is substantial and continues to increase, with approximately 38% of the global population being overweight or obese in 2020 and the related economic impact reaching USD1.96 trillion, while in China the medical costs attributable to overweight and obesity are expected to increase to RMB418 billion by 2030. The obesity management typically requires long-term, multi-modal intervention, including lifestyle modification, pharmacotherapy, and, in severe cases, bariatric surgery. Clinical challenges include poor long-term adherence, weight regain after treatment discontinuation, and limited durability of non-pharmacological interventions, driving increasing reliance on effective pharmacological therapies.

China & Global Market Size of Obesity Therapeutics

The global obesity therapeutics market has expanded rapidly in recent years, driven by rising prevalence and improved pharmacological efficacy. In 2025, the global market for overweight/obesity drugs reached USD29.5 billion. It is projected to expand to USD66.0 billion by 2030, representing a robust CAGR of 17.4% from 2025 to 2030.

From 2020 to 2025, the market size of overweight/obesity drugs in China grew from RMB1.9 billion to RMB9.6 billion, representing a CAGR of 38.2%. Looking ahead, the market is expected to expand rapidly, reaching RMB36.8 billion in 2030 with a CAGR of 30.8% from 2025 to 2030.

REPORT COMMISSIONED BY FROST AND SULLIVAN

In connection with the **[REDACTED]**, we have engaged Frost & Sullivan to conduct a detailed analysis and prepare an industry report on the major markets for which our drug candidates are positioned. Frost & Sullivan is an independent global market research and consulting company which was founded in 1961 and is based in the United States. We have agreed to pay Frost & Sullivan a total fee of RMB0.7 million for the preparation of the Frost & Sullivan Report, and we believe that such fees are consistent with the market rate. The payment of such amount was not contingent upon our successful **[REDACTED]** or on the results of the Frost & Sullivan Report. Except for the Frost & Sullivan Report, we did not commission any other industry report in connection with the **[REDACTED]**.

We have included certain information from the Frost & Sullivan Report in this document because we believe such information facilitates an understanding of the pharmaceutical market for potential **[REDACTED]**. Frost & Sullivan prepared its report based on its in-house database, independent third-party reports and publicly available data from reputable industry organizations.

Where necessary, Frost & Sullivan contacts companies operating in the industry to gather and synthesize information in relation to the market, prices and other relevant information. Frost & Sullivan believes that the basic assumptions used in preparing the Frost & Sullivan Report, including those used to make future projections, are factual, correct and not misleading. Frost & Sullivan has independently analyzed the information, but the accuracy of the conclusions of its review largely relies on the accuracy of the information collected. Frost & Sullivan research may be affected by the accuracy of these assumptions and the choice of these primary and secondary sources.

This section sets forth a summary of the major relevant PRC laws, regulations, rules and policies that may have a significant impact on our business and operations.

MAJOR REGULATORY AUTHORITIES

The major regulatory authorities of the pharmaceutical industry in the PRC include: the National Medical Products Administration (the "**NMPA**"), the National Health Commission (the "**NHC**") and the National Healthcare Security Administration (the "**NHSA**").

The NMPA is subject to the supervision and administration of the State Administration for Market Regulation (the "**SAMR**") and is the primary regulatory authority in the PRC responsible for the supervision and administration of pharmaceuticals and related matters. It regulates almost all key phases of the drug life cycle, including non-clinical research, clinical trials, marketing approval, manufacturing and distribution.

The Center for Drug Evaluation (the "**CDE**") is a directly affiliated unit under the NMPA responsible for the technical review of various drug and biological product applications to assess the safety, efficacy and quality controllability of each drug candidate.

The NHC is the primary regulatory authority responsible for public health. Its main responsibilities include formulating national health policies, supervising and managing public health, medical services and health emergency systems, coordinating the reform of the medical and health system, organizing the formulation of national drug policies and the national essential drug system, carrying out drug use monitoring, comprehensive clinical evaluation and early warning of drug shortages, proposing recommendations on national essential drug pricing policies, and regulating the operation of medical institutions and the practice of medical professionals.

The NHSA is an institution directly under the State Council of the PRC responsible for the administration of the medical security system. Its main responsibilities include formulating and organizing the implementation of policies and standards for medical insurance, maternity insurance, and medical assistance; supervising and managing medical security funds; organizing the formulation of unified medical insurance catalogues and payment standards for drugs, medical consumables and medical services; and formulating and supervising the implementation of bidding and procurement policies for drugs and medical consumables.

PRC LAWS AND REGULATIONS

Laws and Regulations on New Drugs

Administration of Drug Registration

Pursuant to the Administrative Measures for Drug Registration (《藥品註冊管理辦法》) promulgated by the SAMR on January 22, 2020 and effective from July 1, 2020, the Administrative Measures for Drug Registration apply to drug development, registration, and supervision and administration activities conducted within the territory of the PRC for the purpose of drug marketing. According to the Administrative Measures for Drug Registration, drug registration refers to activities wherein a drug registration applicant submits applications for drug clinical trials, drug marketing authorization, re-registration, and supplemental applications in accordance with legal procedures and relevant requirements, and the drug regulatory authorities conduct reviews on safety, efficacy, and quality controllability based on laws, regulations, and existing scientific knowledge to decide whether to approve the application. Drug registration is subject to classified registration management for traditional Chinese medicines, chemical drugs, and biological products. Registration of chemical drugs is classified into innovative chemical drugs, improved new chemical drugs, generic drugs, etc. Registration of biological products is classified into innovative biological products, improved new biological products, marketed biological products (including biosimilars), etc. Before applying for drug marketing registration, an applicant shall complete relevant research work such as pharmacy, pharmacology and toxicology, and drug clinical trials. Non-clinical safety evaluation studies of drugs shall be conducted in institutions certified for Good Laboratory Practice and 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》) ("**GLP**"). Drug clinical trials are subject to approval, while bioequivalence studies are subject to filing; Drug clinical trials shall be conducted in drug clinical trial institutions that comply with relevant

regulations and shall adhere to the Good Clinical Practice for Drug Clinical Trials (《藥物臨床試驗質量管理規範》) ("**GCP**"). The administration of drug registration follows the principles of openness, fairness, and justice, is oriented by clinical value, encourages the research and creation of new drugs, and actively promotes the development of generic drugs.

A drug registration certificate is valid for five years. During the validity period, the holder of the drug registration certificate shall continuously ensure the safety, efficacy, and quality controllability of the marketed drug, and shall apply for drug re-registration six months before the expiration of the validity period.

Non-clinical Research and Animal Testing

Institutions engaged in non-clinical safety evaluation studies must implement the Good Laboratory Practice for Non-Clinical Laboratory Studies, which was promulgated by the China Food and Drug Administration (the "**CFDA**", the predecessor of the NMPA) on August 6, 2003, last revised on July 27, 2017, and became effective on September 1, 2017. GLP comprises a set of quality system rules and standards related to the organizational processes and conditions for planning, performing, monitoring, recording, achieving, and reporting non-clinical laboratory studies. Other relevant pre-clinical research activities for the purpose of drug registration shall be conducted with reference to GLP. The Administrative Measures for Certification of Good Laboratory Practice for Non-clinical Drug Research (《藥物非臨床研究質量管理規範認證管理辦法》), last revised by the NMPA on January 19, 2023 and effective from July 1, 2023, sets out the requirements for institutions to apply for GLP certification to conduct non-clinical drug research.

Pursuant to the Regulations on the Administration of Laboratory Animals (《實驗動物管理條例》) promulgated by the State Science and Technology Commission on November 14, 1988 and last revised by the State Council on March 1, 2017, the Administrative Measures for the Quality of Laboratory Animals (《實驗動物質量管理辦法》) jointly promulgated and implemented by the State Science and Technology Commission and the State Bureau of Quality and Technical Supervision on December 11, 1997, and the Administrative Measures for the Licensing of Laboratory Animals (for Trial Implementation) (《實驗動物許可證管理辦法(試行)》) promulgated by the Ministry of Science and Technology and other regulatory authorities on December 5, 2001 and effective from January 1, 2002, a license for the use of laboratory animals is required for the use of laboratory animals and related products. The license for the use of laboratory animals is valid for five years, and the holder shall apply for re-examination and issuance of the license six months before the expiration of the validity period.

Application and Approval of Clinical Trials

To apply for new drug registration, clinical trials shall be conducted. After completing pre-clinical studies, an applicant must obtain approval from the NMPA before conducting clinical trials. According to the Decision on Adjusting the Approval Procedures for Certain Drug Administrative Approval Matters (《關於調整部分藥品行政審批事項審批程序的決定》), promulgated by the CFDA on March 17, 2017 and effective from May 1, 2017, since May 1, 2017, the approval decisions for drug clinical trials made by the CFDA have been adjusted to be made by the CDE in the name of the CFDA.

According to the Announcement on Certain Policies for Drug Registration Review and Approval (《關於藥品註冊審評審批若干政策的公告》), promulgated and implemented by the CFDA on November 11, 2015, a one-time approval system is implemented for clinical trial applications for new drugs, and the method of phased application, review and approval is no longer adopted. The Announcement on Adjusting the Review and Approval Procedures for Drug Clinical Trials (《關於調整藥物臨床試驗審評審批程序的公告》), promulgated and implemented by the NMPA on July 24, 2018, stipulates that if no negative or questioning opinion is received from the CDE within 60 working days from the date of acceptance of payment, the applicant may conduct clinical trials in accordance with the submitted protocol. The Drug Administration Law of the People's Republic of China (《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 "**NPC Standing Committee**") on September 20, 1984, last revised on August 26, 2019 and effective from December 1, 2019, further confirms that the drug regulatory department of the State Council shall decide whether to approve and notify the clinical trial sponsor within 60 working days from the date of accepting the clinical trial application. If no notification is given within the time limit, it shall be deemed as approved.

Clinical Trial Registration

According to the Administrative Measures for Drug Registration, after obtaining approval for a clinical trial and before commencing the trial, the sponsor shall register information such as the clinical trial protocol on the Drug Clinical Trial Registration and Information Disclosure Platform. During the drug clinical trial, the sponsor shall continuously update the registration information and register information such as the results of the drug clinical trial after its completion. The registered information is publicly disclosed on the platform, and the sponsor is responsible for the authenticity of the registered information of the drug clinical trial. The Announcement on the Drug Clinical Trial Information Platform (《關於藥物臨床試驗信息平台的公告》), issued and effective on September 6, 2013 by the CFDA, provides more detailed regulations, stipulating that all clinical trials approved by the CFDA and conducted within the territory of the PRC shall be published through the Drug Clinical Trial Registration and Information Disclosure Platform. The applicant must complete the pre-registration of the trial within one month after obtaining the approval to acquire a unique trial registration number; complete the subsequent information registration before the enrollment of the first subject, and submit it for the first public disclosure. If the first public disclosure is not completed within one year of obtaining the approval, the applicant must submit an explanation; if the first public disclosure is not completed within three years, the approval will be automatically invalidated.

Phases of Clinical Trials

The Administrative Measures for Drug Registration classify drug clinical trials into Phase I, Phase II, Phase III, and Phase IV clinical trials, as well as bioequivalence studies. According to the characteristics of the drug and the research objectives, the research content includes clinical pharmacology studies, exploratory clinical trials, confirmatory clinical trials, and post-marketing studies.

Pursuant to the Regulations for the Administration of Drug Clinical Trial Institutions (《藥物臨床試驗機構管理規定》), promulgated by the NMPA and the NHC on November 29, 2019 and effective from December 1, 2019, drug development activities and drug clinical trials approved by the NMPA (including bioequivalence studies conducted after filing) conducted within the territory of the PRC shall be carried out in drug clinical trial institutions. Drug clinical trial institutions are subject to a record-filing administration system.

According to the Drug Administration Law and the Administrative Measures for Drug Registration, conducting drug clinical trials shall be subject to the review and approval of an ethics committee and shall comply with the relevant requirements of GCP. The sponsor shall periodically submit development safety update reports on the website of the CDE. For suspected and unexpected serious adverse reactions and other potential serious safety risk information that occur during a drug clinical trial, the sponsor shall promptly report to the CDE in accordance with relevant requirements. Depending on the severity of the safety risk, the sponsor may be required to take measures to strengthen risk control, and if necessary, may be required to suspend or terminate the drug clinical trial.

According to the Announcement of the National Medical Products Administration on Adjusting the Review and Approval Procedures for Drug Clinical Trials, for an investigational new drug that has been approved for clinical trials, the applicant shall, after completing Phase I and Phase II clinical trials and before commencing Phase III clinical trials, apply to the CDE for a communication meeting to discuss key technical issues, including the design of the Phase III clinical trial protocol, with the CDE. Applicants may also apply for communication meetings on key technical issues at different stages of clinical development.

Regulations on International Multicenter Clinical Trials and Acceptance of Overseas Clinical Trial Data

According to the Circular on the Issuance of the Guideline for International Multicenter Drug Clinical Trials (for Trial Implementation) (《關於發布國際多中心藥物臨床試驗指南（試行）的通告》) (the "**Guideline for Multicenter Clinical Trials**" (《多中心臨床試驗指南》)) (issued by the CFDA on January 30, 2015 and effective from March 1, 2015), applicants for international multicenter clinical trials may conduct clinical trials simultaneously in different centers using the same clinical trial protocol. Applicants planning to conduct international multicenter clinical trials in the PRC shall

comply with relevant laws and regulations such as the Drug Administration Law, the Regulations for the Implementation of the Drug Administration Law of the People's Republic of China (《中華人民共和國藥品管理法實施條例》) promulgated by the State Council in August 2002 and last amended on January 16, 2026 and became effective on May 15, 2026 (the latest version was published on January 16, 2026 and became effective on May 15, 2026), have laid down the legal framework for the establishment and maintenance of pharmaceutical manufacturing and trading enterprises, as well as for the administration of pharmaceutical products including the development and manufacturing of new drugs. The developer and clinical trial applicant of any new drug shall truthfully submit the new drug's manufacturing method, quality specifications, results of pharmacological and toxicological tests and the related data, documents and samples to the NMPA for approval before any clinical trial is conducted.

According to the Opinions on Deepening the Reform of the Review and Approval System and Encouraging Innovation in 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》) (issued and implemented by the General Office of the CPC Central Committee and the General Office of the State Council on October 8, 2017), data from international multicenter clinical trials that meet the registration requirements for drugs and medical devices in the PRC can be used for registration applications in the PRC.

According to the Technical Guiding Principles for Accepting 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》) (issued and implemented by the NMPA on July 6, 2018), the basic principles for accepting overseas clinical trial data include: (1) the applicant shall ensure the authenticity, integrity, accuracy, and traceability of the overseas clinical trial data; (2) the generation process of overseas clinical trial data shall comply with the relevant requirements of ICH-GCP; (3) the applicant shall ensure the scientific nature of the overseas clinical trial design, compliance with the requirements of the clinical trial quality management system, and the accuracy and integrity of data analysis; (4) to ensure the scientific and rational nature of the clinical trial design and data analysis, for drugs that are being developed simultaneously domestically and abroad and are about to undergo clinical trials in the PRC, the applicant may communicate with the CDE before implementing the registration clinical trial to ensure that the design of the registration clinical trial meets the basic technical requirements for drug registration in the PRC. According to the Technical Guiding Principles for Accepting Overseas Clinical Trial Data of Drugs, the integrity of clinical trial data is a basic requirement for accepting a registration application. For overseas clinical trials used for drug registration applications in China, all overseas clinical trial data must be provided in full and may not be provided selectively. Applicants should evaluate early clinical trial data, and clinical trials with complete data can be used to support subsequent clinical trials after communication with the CDE.

New Drug Marketing Application, Registration and Marketing Authorization

According to the Administrative Measures for Drug Registration, after completing research in pharmacy, pharmacology and toxicology, and drug clinical trials, determining quality standards, completing commercial-scale production process validation, and preparing for drug registration inspection and testing, an applicant may submit an application for drug marketing authorization. According to the Administrative Measures for Drug Registration, drug marketing registration applications are divided into three categories: traditional Chinese medicines, chemical drugs, and biological products. The CDE shall organize pharmaceutical, medical, and other technical personnel to conduct a comprehensive review of the safety, efficacy, and quality controllability of drugs. If the comprehensive review conclusion is passed, the drug will be approved for marketing and a drug registration certificate will be issued.

According to the Drug Administration Law, an applicant who has obtained a drug registration certificate shall be confirmed as a marketing authorization holder and shall be responsible for the non-clinical research, clinical trials, production and operation, post-marketing studies, adverse reaction monitoring, reporting and handling of the drug in accordance with the provisions of the Drug Administration Law. A marketing authorization holder may manufacture or distribute the drug itself or entrust a qualified third party to do so.

Marketing Authorization Holder System

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

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

The marketing authorization holder shall apply for re-registration six months prior to the expiry of the validity period of the drug registration certificate. An application for re- registration of a domestically produced drug shall be filed by the marketing authorization holder with the medical products administrative department of the province, autonomous region, or municipality directly under the Central Government, and an application for re-registration of a drug produced overseas shall be filed by the marketing authorization holder with the Center for Drug Evaluation.

Pharmacovigilance

According to the Good Pharmacovigilance Practices《藥物警戒質量管理規範》promulgated by the NMPA on May 7, 2021 and effective from December 1, 2021, marketing authorization holders and drug registration applicants approved to conduct clinical trials of drugs shall establish a pharmacovigilance system to monitor, identify, assess and control adverse drug reactions and other harmful reactions related to drug use through the effective operation and maintenance of the system. Marketing authorization holders shall formulate pharmacovigilance quality objectives and establish a quality assurance system to perform quality management for the pharmacovigilance system and its activities, continuously enhance the operational effectiveness of the pharmacovigilance system, and ensure that pharmacovigilance activities consistently comply with relevant legal and regulatory requirements. The legal representative or principal responsible person of a marketing authorization holder is fully responsible for the pharmacovigilance activities. A marketing authorization holder shall complete information registration in the National Adverse Drug Reaction Monitoring System within 30 days after obtaining the first drug approval certificate.

Approval or Filing Regarding Human Genetic Resources in the PRC

According to the Service Guide for Administrative Licensing Matters of Collection, Gathering, Trading, Export, and Exit 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 and implemented by the Ministry of Science and Technology ("**MOST**") on July 2, 2015, the collection, gathering, or research activities of human genetic resources involving foreign participation fall under the scope of international cooperation and require the Chinese collaborating entity to apply for approval from the Human Genetic Resources Administration Office of China. According to the Notice on Updating the Service Guide for Administrative Licensing of Human Genetic Resources, Filing, and the Scope and Procedures for Prior Reporting (《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》), promulgated and implemented by MOST on July 14, 2023, for the purpose of obtaining drug marketing authorization in the PRC, conducting international cooperative clinical trials using PRC human genetic resources in clinical medical and health institutions without involving the export of human genetic resource materials does not require approval, but certain conditions must be met and the types,

quantities, and uses of the human genetic resources to be used shall be filed with MOST for record before the clinical trial is conducted; the exploratory research part of a clinical trial shall apply for administrative permission for international scientific research cooperation on human genetic resources.

Pursuant to the Regulations of the People's Republic of China on the Administration of Human Genetic Resources (《中華人民共和國人類遺傳資源管理條例》), promulgated by the State Council on May 28, 2019, last revised on March 10, 2024 and effective from May 1, 2024, human genetic resources include human genetic resource materials and information. The Regulations of the People's Republic of China on the Administration of Human Genetic Resources further clarify that for the purpose of obtaining drug marketing in the PRC, conducting international cooperative clinical trials using our country's human genetic resources in clinical institutions without involving the export of human genetic resource materials does not require approval, but both collaborating parties shall file the types, quantities, and uses of the human genetic resources to be used with the competent health department of the State Council for record before conducting the clinical trial. Foreign organizations, individuals, and institutions established or actually controlled by them shall not collect or preserve our country's human genetic resources within the territory of the PRC, nor shall they provide our country's human genetic resources to overseas parties.

Implementing Rules for the Administrative Regulation on Human Genetic Resources (《人類遺傳資源管理條例實施細則》), promulgated by MOST on May 26, 2023 and effective from July 1, 2023, further clarify the requirements for administrative licensing, filing, and security review related to the collection, preservation, utilization, and provision to foreign parties of PRC human genetic resources, and detail matters related to supervision, inspection, and administrative penalties.

According to the Biosecurity Law of the People's Republic of China (《中華人民共和國生物安全法》), promulgated by the NPC Standing Committee on October 17, 2020, last revised and effective on April 26, 2024, providing or opening access to PRC human genetic resource information to foreign organizations, individuals, or institutions established or actually controlled by them shall be subject to prior reporting to and submission of an information backup to the competent health department of the State Council. It also stipulates that approval must be obtained for conducting international scientific research cooperation using Chinese biological resources.

Regulations on Drug Manufacturing

Drug Manufacturing License

According to the Drug Administration Law, a drug manufacturer must be approved by the relevant provincial-level department of the NMPA and obtain a drug manufacturing license. According to the Administrative Measures for the Supervision of Drug Manufacturing (《藥品生產監督管理辦法》), promulgated by the SAMR on January 22, 2020 and implemented from July 1, 2020, the validity period of a drug manufacturing license is five years, and the holder of the drug manufacturing license shall apply to the original issuing authority for renewal at least six months before the expiration of the validity period, which shall be approved.

Good Manufacturing Practice for Drugs

The Good Manufacturing Practice for Drugs (《藥品生產質量管理規範》) ("**GMP**"), last revised by the Ministry of Health of the PRC (the "**MOH**", now the NHC) on January 17, 2011 and effective from March 1, 2011, systematically regulates aspects of drug manufacturers such as quality management, organization and personnel, premises and facilities, equipment, materials and products, qualification and validation, documentation management, production management, quality control and quality assurance, contract manufacturing and testing, product dispatch and recall, and self-inspection.

Prior to December 1, 2019, drug manufacturers were required to apply for GMP certification and obtain a GMP certificate from the drug regulatory authorities in accordance with relevant regulations. According to the Announcement on Matters Concerning the Implementation of the <Drug Administration Law of the People's Republic of China> (《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》), issued and implemented by the NMPA on November 29, 2019, since December 1, 2019, GMP and GSP certifications for drugs have been cancelled, applications for GMP and GSP certifications are no longer accepted, and GMP and GSP certificates for drugs are no longer issued. However, according to the Drug Administration Law, drug manufacturers must still comply with GMP,

establish and improve the GMP system, and ensure that the entire drug manufacturing process always complies with legal requirements. The legal representative and principal responsible persons of a drug manufacturer are fully responsible for the drug manufacturing activities of the enterprise.

On May 24, 2021, the NMPA promulgated the Administrative Measures for Drug Inspection (for Trial Implementation) (《藥品檢查管理辦法(試行)》), which was revised on July 19, 2023, and repealed the Administrative Measures for the Certification of Good Manufacturing Practice for Drugs (《藥品生產質量管理規範認證管理辦法》). The Administrative Measures for Drug Inspection (for Trial Implementation) stipulate that when a drug manufacturer applies for a drug manufacturing license for the first time, an on-site inspection shall be conducted in accordance with the relevant content of GMP. When a drug manufacturer applies for the re-issuance of a drug manufacturing license, a review shall be conducted based on the principles of risk management, taking into account the manufacturer's compliance with drug administration laws and regulations, GMP, and the operation of its quality management system. If necessary, a GMP compliance inspection may be conducted on the drug manufacturer. If a workshop or production line is newly built, rebuilt, or expanded on the original site or at a different location, a GMP compliance inspection shall be conducted.

Contract Manufacturing of Drugs

According to the Drug Administration Law, a marketing authorization holder may manufacture drugs itself or entrust a drug manufacturer to do so. If a marketing authorization holder manufactures drugs itself, it shall obtain a drug manufacturing license; if the holder entrusts a third party with production, it shall entrust a qualified drug manufacturer. The marketing authorization holder and the contract manufacturer shall sign a contract agreement and a quality agreement and strictly perform the obligations stipulated in the agreements. Blood products, narcotic drugs, psychotropic drugs, toxic drugs for medical use, and precursor chemicals for drug production shall not be contract manufactured, unless otherwise stipulated by the drug regulatory department of the State Council.

Pursuant to the Regulations on the Supervision and Administration of Contract Manufacturing of Drugs (《藥品委托生產監督管理規定》), promulgated by the CFDA on August 14, 2014 and effective from October 1, 2014, a drug manufacturer may entrust other domestic drug manufacturers to produce its drugs only when it temporarily lacks the production conditions due to technological upgrades or when its production capacity is insufficient to guarantee market supply. Such contract manufacturing arrangements must be approved by the provincial branch of the CFDA.

According to the Administrative Measures for the Supervision of Drug Manufacturing, a marketing authorization holder that entrusts another party to produce a formulation shall sign a contract agreement and a quality agreement with a qualified drug manufacturer, and submit the relevant agreements and application materials for the actual production site to the drug regulatory department of the province, autonomous region, or municipality directly under the central government where the marketing authorization holder is located, to apply for a drug manufacturing license in accordance with the provisions of these measures.

New Drug Monitoring Period

Pursuant to the Regulations for the Implementation of the Drug Administration Law of the People's Republic of China, based on the requirements for protecting public health, the drug regulatory department of the State Council may establish a monitoring period of no more than 5 years for new drug varieties produced by drug manufacturers; During the monitoring period, other enterprises shall not be approved for production and import.

Pharmaceutical Distribution and the Two-Invoice System

Pursuant to the Implementation Opinions on Implementing 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 on December 26, 2016 (the "**Two-Invoice System Implementation Opinions**"), the "Two-Invoice System" means that one invoice is issued by a drug manufacturer to a distribution enterprise, and another invoice is issued by the distribution enterprise to a medical institution. A wholly-owned or controlled commercial company established by a drug manufacturer or an integrated industry-trade-science group enterprise that exclusively sells drugs of such enterprise (group) (limited to one national commercial company) or the exclusive domestic general

agent of an overseas drug (limited to one national domestic general agent) may be regarded as a drug manufacturer. The internal transfer of drugs by a drug distribution group enterprise to its wholly-owned (controlled) subsidiaries or between such subsidiaries shall not be counted as one invoice, provided that no more than one invoice is permitted. The Two-Invoice System shall be gradually implemented in drug procurement by public medical institutions, and implementation of the system shall be encouraged in drug procurement by other medical institutions. Pilot provinces (autonomous regions and municipalities directly under the Central Government) for comprehensive medical reform and pilot cities for public hospital reform shall take the lead in implementing the Two-Invoice System, and other regions are encouraged to adopt the system with a view to achieving full nationwide implementation by 2018.

In accordance with the Two-Invoice System Implementation Opinions, in regions where the Two-Invoice System is implemented for drug procurement by public medical institutions, centralized procurement agencies shall include compliance with the Two-Invoice System as a mandatory requirement when formulating procurement documents. Drug enterprises participating in centralized drug procurement shall make a commitment to comply with the Two-Invoice System in their bidding documents; failure to do so shall render their bids invalid. For drugs procured through other procurement methods, relevant requirements on the Two-Invoice System shall also be clearly stipulated in the procurement contracts.

Pursuant to Several Opinions of the General Office of the State Council on Further Reforming and Improving Policies for Drug Production, Distribution and Use (《國務院辦公廳關於進一步改革完善藥品生產流通使用政策的若干意見》) issued on January 24, 2017, pilot provinces (autonomous regions and municipalities directly under the Central Government) for comprehensive medical reform and pilot cities for public hospital reform shall take the lead in implementing the Two-Invoice System, other regions are encouraged to adopt the system, and full nationwide implementation shall be strived for by 2018.

Other Laws and Regulations relating to the Pharmaceutical Industry

Basic Medical Insurance Policies

According to the Decision on the Establishment of the Basic Medical Insurance System for Urban Employees (《關於建立城鎮職工基本醫療保險制度的決定》) promulgated and implemented by the State Council on December 14, 1998 and the Interim Measures for the Administration of the Scope of Drugs for Basic Medical Insurance for Urban Employees (《城鎮職工基本醫療保險用藥範圍管理暫行辦法》) issued and implemented by the Ministry of Human Resources and Social Security (formerly the Ministry of Labor and Social Security) on May 12, 1999, all employers in urban areas, including enterprises (state-owned enterprises, collective enterprises, foreign-invested enterprises, private enterprises, etc.), government agencies, public institutions, social organizations, and private non-enterprise units, and their employees, must participate in basic medical insurance. According to the Guiding Opinions on Launching the Pilot Program for Basic Medical Insurance for Urban Residents (《關於開展城鎮居民基本醫療保險試點的指導意見》) promulgated and implemented by the State Council on July 10, 2007, non-employed urban residents in pilot areas may voluntarily participate in the basic medical insurance for urban residents. According to the Opinions of the State Council 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》) promulgated and implemented by the State Council on January 3, 2016, a unified basic medical insurance system for urban and rural residents shall be established, including all persons who should be insured under the existing urban resident medical insurance and the new rural cooperative medical system, that is, covering all other urban and rural residents except for those who should be insured under the basic medical insurance for employees.

Basic Medical Insurance Drug Catalogue

According to the Interim Measures for the Administration of the Scope of Drugs for Basic Medical Insurance for Urban Employees, the scope of drugs for basic medical insurance is managed through the formulation of the Basic Medical Insurance Drug Catalogue (《基本醫療保險藥品目錄》) (the "**Medical Insurance Drug Catalogue**"). Drugs included in the Medical Insurance Drug Catalogue should be clinically necessary, safe and effective, reasonably priced, convenient to use, and with a guaranteed market supply, and meet one of the following conditions: drugs included in the current edition of the Pharmacopoeia of the People's Republic of China (《中華人民共和國藥典》); drugs that

meet the standards issued by the NMPA; and drugs officially approved for import by the NMPA. The Medical Insurance Drug Catalogue is divided into "Category A Catalogue" and "Category B Catalogue". Patients who purchase drugs included in the "Category A Catalogue" of the Medical Insurance Drug Catalogue are entitled to reimbursement in accordance with the provisions of the basic medical insurance. Patients who purchase drugs included in the "Category B Catalogue" of the Medical Insurance Drug Catalogue must pay a certain percentage of the purchase price, and the remaining purchase price is reimbursed in accordance with the provisions of the basic medical insurance. According to the Opinions of the National Healthcare Security Administration and the Ministry of Finance on Establishing a List System for Medical Security Benefits (《國家醫保局、財政部關於建立醫療保障待遇清單制度的意見》), issued and implemented on January 19, 2021, all localities must strictly implement the Medical Insurance Drug Catalogue and, unless otherwise explicitly stipulated by the state, shall not formulate their own catalogues or use alternative methods to add drugs to the catalogue. After multiple adjustments, the currently effective Medical Insurance Drug Catalogue is the National Basic Medical Insurance, Maternity Insurance and Work-related Injury Insurance Drug Catalogue (2025) (《國家基本醫療保險、生育保險和工傷保險藥品目錄（2025年）》), effective from January 1, 2026.

Drug Pricing

According to the Drug Administration Law, for drugs whose prices are subject to market regulation by law, marketing authorization holders, drug manufacturers, drug distributors, and medical institutions shall set prices in accordance with the principles of fairness, reasonableness, honesty and credit, and consistency between quality and price, to provide users with reasonably priced drugs; and shall comply with the regulations on drug price management stipulated by the competent drug pricing department of the State Council, and formulate and indicate the retail prices of drugs. According to the Notice on Issuing the <Opinions on Promoting Drug Price Reform> (《關於印發＜推進藥品價格改革意見＞的通知》), jointly issued and implemented by the NDRC, the NHC, the Ministry of Human Resources and Social Security, the Ministry of Industry and Information Technology, the Ministry of Finance, the MOFCOM, and the CFDA on May 4, 2015, government-set drug prices were abolished from June 1, 2015, with the exception of narcotic drugs and Category I psychotropic drugs. On December 26, 2023, the NHSA issued and implemented the Notice on Promoting Inter-provincial Price Fairness, Integrity, Transparency, and Balance for Drugs with the Same Generic Name and Manufacturer (《關於促進同通用名同廠牌藥品省際間價格公平誠信、透明均衡的通知》), requiring a comprehensive review and screening of "four-same drugs" (referring to drugs with the same generic name, manufacturer, dosage form, and specification) against the monitored prices formed from statistics of currently online-listed drug prices nationwide, to basically eliminate unfair high prices and discriminatory high prices for "four-same drugs" among provinces by the end of March 2024.

Drug Advertising

According to the Interim Measures for the Administration of Advertising Review for Drugs, Medical Devices, Health Foods, and Foods for Special Medical Purposes (《藥品、醫療器械、保健食品、特殊醫學用途配方食品廣告審查管理暫行辦法》), issued by the SAMR on December 24, 2019 and implemented on March 1, 2020, advertisements for drugs, medical devices, health foods, and foods for special medical purposes shall be truthful and legal, and shall not contain false or misleading content. The holders of registration certificates or filing vouchers for drugs, medical devices, health foods, and foods for special medical purposes, and the manufacturing or operating enterprises authorized by them, are the advertising applicants ("**Applicants**").

Applicants may entrust an agent to handle the application for advertising review of drugs, medical devices, health foods, and foods for special medical purposes. Applicants may submit applications for advertising of drugs, medical devices, health foods, and foods for special medical purposes at the reception window of the advertising review authority, or through letter, fax, email, or e-government platforms. The advertising review authority shall review the materials submitted by the applicant and complete the review work within ten working days from the date of acceptance.

Upon review, for advertisements that comply with laws, administrative regulations, and the provisions of these measures, a decision of review and approval shall be made, and an advertising approval number shall be issued. The validity period of the advertising approval number for drugs, medical devices, health foods, and foods for special medical purposes is consistent with the shortest

validity period among the product registration certificate, filing voucher, or production license document. If the product registration certificate, filing voucher, or production license document does not specify a validity period, the validity period of the advertising approval number shall be two years.

Drug Inserts, Labels, and Packaging

According to the Provisions for the Administration of Drug Inserts and Labels (《藥品説明書和標簽管理規定》), issued by the CFDA on March 15, 2006 and implemented on June 1, 2006, drug inserts and labels shall be approved by the CFDA. The drug insert shall contain important scientific data, conclusions, and information on the safety and efficacy of the drug to guide its safe and rational use. The inner label of a drug shall contain information such as the generic name, indications or functions, specifications, usage and dosage, production date, product batch number, validity period, and manufacturer; The outer label of a drug shall indicate information such as the generic name, ingredients, characteristics, indications or functions, specifications, usage and dosage, adverse reactions, contraindications, precautions, storage, production date, product batch number, validity period, approval number, and manufacturer. According to the Administrative Measures for Drug Packaging (《藥品包裝管理辦法》), effective from September 1, 1988, drug packaging must comply with the provisions of national and professional standards. In the absence of the above standards, the enterprise shall formulate drug packaging standards, which shall be implemented after approval by the provincial food and drug administration department and the standards bureau. If the packaging standards need to be changed, the enterprise must re-submit them to the relevant departments for approval. Drugs without packaging standards shall not be released from the factory or distributed (except for drugs for special military needs).

Drug Technology Transfer

Drug technology transfer refers to the process whereby the owner of drug technology transfers the drug production technology to a transferee drug manufacturer in accordance with the requirements of relevant laws and regulations on drug technology transfer, and the transferee drug manufacturer applies for drug registration. The registration process for drug technology transfer, including the application, review, approval, and supervision and administration of drug technology transfer registration, is regulated by the Administrative Measures for Drug Registration and the Provisions for the Administration of Drug Technology Transfer Registration (《藥品技術轉讓註冊管理規定》), promulgated and implemented by the CFDA on August 19, 2009. According to the above regulations, drug technology transfer is divided into new drug technology transfer and drug production technology transfer. An application for drug technology transfer shall be submitted to the provincial drug regulatory department, and the final approval decision shall be made by the CFDA based on the comprehensive opinion of the CDE. If the requirements are met, a "Drug Supplementary Application Approval Document" and a drug approval number will be issued.

Management of Pathogenic Microorganism Laboratories

Pursuant to the Regulations on the Biosafety Management of Pathogenic Microorganism Laboratories (《病原微生物實驗室生物安全管理條例》), promulgated by the State Council on November 12, 2004, most recently revised on December 6, 2024, and effective from January 20, 2025, pathogenic microorganism laboratories are classified into four levels according to national biosafety standards for laboratories, namely Level I, Level II, Level III, and Level IV. Level I or Level II laboratories shall not engage in experimental activities with highly pathogenic microorganisms. The new construction, reconstruction, or expansion of Level I or Level II laboratories shall be reported to the competent health department of the municipal people's government of the districted city for filing. The establishing unit of a laboratory shall formulate scientific and strict management systems, regularly inspect the implementation of relevant biosafety regulations, and periodically inspect, maintain, and update laboratory facilities, equipment, and materials to ensure they comply with national standards. Level III or Level IV laboratories shall obtain national laboratory accreditation. If a laboratory passes accreditation, a biosafety laboratory certificate of the corresponding level will be issued. The certificate is valid for five years.

Disinfection Products

Pursuant to the Measures for the Administration of Disinfection (《消毒管理辦法》) which was promulgated by the former State Health and Family Planning Committee on September 18, 1987 and amended on August 31, 1992, March 28, 2002 and December 26, 2017, as well as the Regulations on Sanitation and Safety Evaluation of Disinfection Products (《消毒產品衛生安全評價規定》) which was promulgated and became effective on June 27, 2014, when the first and second types of disinfection products are first launched on the market, the entity responsible for such products shall submit the sanitation and safety evaluation report to the competent provincial health administrative department for filing. The manufacturing enterprise, or the entrusted enterprise shall be responsible for the quality of the disinfection products.

Regulations on Company Establishment and Foreign Investment

The establishment, operation, and management of corporate entities in China are governed by the Company Law of the People's Republic of China (《中華人民共和國公司法》) (the "**Company Law**"), promulgated by the NPC Standing Committee on December 29, 1993, most recently revised on December 29, 2023, and implemented on July 1, 2024. The Company Law also applies to foreign-invested companies limited by shares.

Investment activities of foreign investors in the PRC are governed by the Provisions on Guiding the Direction of Foreign Investment (《指導外商投資方向規定》) (promulgated by the State Council on February 11, 2002 and implemented on April 1, 2002), the Special Administrative Measures for Foreign Investment Access (Negative List) (2024 Edition) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "**Negative List**") (issued by the NDRC and MOFCOM on September 6, 2024 and implemented on November 1, 2024), and the Catalogue of Industries for Encouraging Foreign Investment (2025 Edition) (《鼓勵外商投資產業目錄（2025年版）》) (the "**Encouraged Catalogue**") (issued by the NDRC and MOFCOM on December 15, 2025 and implemented on February 1, 2026). The Provisions on Guiding the Direction of Foreign Investment classify foreign investment projects into four categories: "encouraged," "permitted," "restricted," and "prohibited". The Encouraged Catalogue lists the encouraged foreign investment projects, the Negative List lists the restricted and prohibited foreign investment projects, and foreign investment projects that are not encouraged, restricted, or prohibited are classified as permitted. The Negative List uniformly lists the restrictive measures for foreign investment access, such as requirements for shareholding ratios and corporate governance, as well as industries where foreign investment is prohibited. The Negative List covers 11 industries, and areas outside the Negative List are managed under the principle of equal treatment for domestic and foreign investment.

The Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》) (the "**Foreign Investment Law**"), promulgated by the National People's Congress ("**NPC**") on March 15, 2019, came into effect on January 1, 2020, upon which the Wholly Foreign-owned Enterprise Law of the People's Republic of China (《中華人民共和國外資企業法》), the Sino-foreign Equity Joint Venture Enterprise Law of the People's Republic of China (《中華人民共和國中外合資經營企業法》), and the Sino-foreign Cooperative Joint Venture Enterprise Law of the People's Republic of China (《中華人民共和國中外合作經營企業法》) were repealed. Investment activities conducted directly or indirectly within the territory of China by foreign natural persons, enterprises, or other organizations (collectively, "**foreign investors**") shall comply with and be governed by the Foreign Investment Law.

While strengthening investment promotion and protection, the Foreign Investment Law further standardizes the administration of foreign investment by proposing the establishment of a foreign investment information reporting system to replace the previous approval and filing system of the MOFCOM for foreign-invested enterprises. The reporting of foreign investment information is governed by the Measures for Foreign Investment Information Reporting (《外商投資信息報告辦法》), which were jointly formulated by the MOFCOM and the SAMR and came into effect on January 1, 2020.

The Measures for the Security Review of Foreign Investment (《外商投資安全審查辦法》), promulgated by the NDRC and MOFCOM on December 19, 2020 and implemented on January 18, 2021, set out provisions concerning the security review mechanism for foreign investment, including the types of investment subject to review, the scope of review, and the review procedures.

Regulations on Real Estate Leasing

According to the Civil Code of the People's Republic of China (《中華人民共和國民法典》) (the "**Civil Code**"), a lease contract generally includes clauses on the name, quantity, and use of the leased property, lease term, rent, payment term and method, and maintenance of the leased property. With the consent of the lessor, the lessee of a lease may sublease the leased property to a third party.

According to the Administrative Measures for Commodity Housing Leasing (《商品房屋租賃管理辦法》), issued by the Ministry of Housing and Urban-Rural Development of the People's Republic of China ("**MHURD**") on December 1, 2010 and implemented on February 1, 2011, a commodity housing lease contract shall be registered and filed with the competent construction (real estate) department of the people's government of the municipality, city, or county where the leased premises are located within 30 days of its conclusion.

Regulations on Construction Projects

Construction Project Planning Permit

According to the Urban and Rural Planning Law of the People's Republic of China (《中華人民共和國城鄉規劃法》), promulgated by the NPC Standing Committee on October 28, 2007, most recently revised and implemented on April 23, 2019, for construction projects within urban or town planning areas, the relevant construction entity shall apply to the competent administrative authority for urban and rural planning for a construction project planning permit.

Construction Work Permit

According to the Construction Law of the People's Republic of China (《中華人民共和國建築法》), promulgated by the NPC Standing Committee on November 1, 1997, most recently revised and implemented on April 23, 2019, before commencing a construction project, the construction entity shall apply to the competent construction administrative department for a construction work permit, but certain small projects that meet the requirements and conditions stipulated by the competent construction administrative department may be exempted from obtaining a construction work permit.

According to the Administrative Measures for Construction Work Permits for Construction Projects (《建築工程施工許可管理辦法》), promulgated by the MHURD on October 15, 1999, most recently revised and implemented on March 30, 2021, any entity in the PRC engaged in the construction, renovation, and decoration of buildings and their ancillary facilities, the installation of their supporting lines, pipelines, or equipment, and municipal infrastructure projects shall apply for a construction work permit before commencement. Construction projects with an investment of less than RMB300,000 or a construction area of less than 300 square meters are not required to obtain a construction work permit.

Completion Acceptance

According to the Administrative Measures for the Filing of Completion Acceptance of Housing Construction and Municipal Infrastructure Projects (《房屋建築和市政基礎設施工程竣工驗收備案管理辦法》), promulgated and implemented by the MHURD on October 19, 2009, entities engaged in the new construction, expansion, or reconstruction of various types of housing construction or municipal infrastructure projects within the PRC shall file with the competent construction administrative department of the local people's government at or above the county level where the project is located within 15 days from the date of passing the completion acceptance.

Regulations on Environmental Protection, Health, and Safety

Environmental Protection

The Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), promulgated by the NPC Standing Committee on December 26, 1989, most recently revised on April 24, 2014, and implemented on January 1, 2015, outlines the rights and responsibilities of environmental protection regulatory authorities. The competent environmental protection department of the State Council (now the Ministry of Ecology and Environment ("**MEE**")) is authorized to issue

national environmental quality standards and emission standards. Meanwhile, local environmental protection departments may formulate local standards that are stricter than national standards, in which case the relevant companies must comply with both national and local standards.

Environmental Impact Assessment

Pursuant to the Regulations on the Environmental Protection Management of Construction Projects (《建設項目環境保護管理條例》), promulgated by the State Council on November 29, 1998, most recently revised on July 16, 2017, and effective from October 1, 2017, a construction entity shall, based on the degree of environmental impact of the construction project, submit an environmental impact report, an environmental impact report form, or fill out a registration form (as applicable). For construction projects that require the preparation of an environmental impact report or an environmental impact report form, the construction entity shall submit the environmental impact report and environmental impact report form to the competent administrative department of environmental protection for approval before commencing construction. If the environmental impact assessment documents of a construction project have not been reviewed by the competent administrative department in accordance with the law or have not been approved after review, the construction entity shall not commence the construction project. The environmental protection facilities required for a construction project must be designed, constructed, and put into operation simultaneously with the main project.

According to the Environmental Impact Assessment Law of the People's Republic of China (《中華人民共和國環境影響評價法》), promulgated by the NPC Standing Committee on October 28, 2002, most recently revised and implemented on December 29, 2018, for construction projects that have an impact on the environment, the enterprise shall, according to the severity of the potential environmental impact of the project, prepare an environmental impact report, an environmental impact report form, or fill out an environmental impact registration form.

Completion Acceptance

Pursuant to the Regulations on the Environmental Protection Management of Construction Projects, after the completion of a construction project for which an environmental impact report or an environmental impact report form has been prepared, the construction entity shall, in accordance with the standards and procedures prescribed by the competent environmental protection administrative department of the State Council, conduct an acceptance inspection of the supporting environmental protection facilities and prepare an acceptance report. The Interim Measures for the Environmental Protection Acceptance of Completed Construction Projects (《建設項目竣工環境保護驗收暫行辦法》), promulgated and implemented by the Ministry of Environmental Protection (abolished) on November 20, 2017, regulate the environmental protection acceptance procedures and standards for construction entities after the completion of construction projects.

Pollutant Discharge

Pursuant to the Administrative Measures for Pollutant Discharge Permits (《排污許可管理辦法》), promulgated by the MEE on April 1, 2024 and implemented on July 1, 2024, enterprises, public institutions, and other producers and operators subject to pollutant discharge permit management shall apply for a pollutant discharge permit and discharge pollutants in accordance with the requirements of the permit; No pollutants may be discharged without obtaining a pollutant discharge permit.

According to the Classified Administration Catalogue of Pollutant Discharge Permits for Fixed Pollution Sources (2019 Edition) (《固定污染源排污許可分類管理名錄(2019年版)》), issued and implemented by the MEE on December 20, 2019, key management, simplified management, and registration management for pollutant discharge permits are implemented based on factors such as the amount of pollutants generated, the amount of pollutants discharged, and the degree of environmental impact. Pollutant discharging units subject to registration management are not required to apply for a pollutant discharge permit, but shall fill in a pollutant discharge registration form on the national pollutant discharge permit management information platform.

Pursuant to the Regulations on Urban Drainage and Wastewater Treatment (《城鎮排水與污水處理條例》), promulgated by the State Council on October 2, 2013 and implemented on January 1, 2014, drainage units and individuals within the coverage of urban drainage facilities shall discharge

wastewater into urban drainage facilities in accordance with the law. Companies or other entities engaged in medical activities that discharge wastewater into urban drainage facilities shall apply for a permit to discharge wastewater into the drainage network. Drainage units and individuals shall pay wastewater treatment fees in accordance with the law.

According to the Administrative Measures for the Environmental Management of Biosafety in Pathogenic Microorganism Laboratories (《病原微生物實驗室生物安全環境管理辦法》), promulgated by the State Environmental Protection Administration (abolished) on March 8, 2006 and effective from May 1, 2006, laboratories that discharge wastewater and waste gas shall implement the pollutant discharge declaration and registration system in accordance with the relevant regulations of the State Environmental Protection Administration.

Work Safety

According to the Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》), promulgated by the NPC Standing Committee on June 29, 2002, most recently revised on June 10, 2021, and implemented on September 1, 2021, any entity whose work safety conditions do not meet the requirements shall not engage in production and business operation activities. Production and business operation entities shall provide work safety education and training to their employees, employees who have not passed work safety education and training shall not be assigned to their posts to carry out work. The safety facilities of a new construction, reconstruction, or expansion project (a "**construction project**") shall be designed, constructed, and put into use simultaneously with the main project. The investment in safety facilities shall be included in the budget of the construction project.

Pursuant to the Regulations on the Administration of Precursor Chemicals (《易制毒化學品管理條例》), promulgated by the State Council on August 26, 2005, most recently revised and implemented on September 18, 2018, a classified management and licensing system is implemented for the production, distribution, purchase, transportation, import, and export of precursor chemicals. When an enterprise purchases Category II and Category III precursor chemicals, it shall file the types and quantities to be purchased with the competent public security bureau before the purchase.

According to the Administrative Measures for the Public Security of Precursor Hazardous Chemicals (《易制爆危險化學品治安管理辦法》), promulgated by the Ministry of Public Security on July 6, 2019 and implemented on August 10, 2019, enterprises that have legally obtained a hazardous chemical safe production license, a hazardous chemical safe use license, or a hazardous chemical business license may purchase precursor hazardous chemicals with the corresponding permits. Other units purchasing precursor hazardous chemicals shall present relevant materials to the selling unit. The selling and purchasing units of precursor hazardous chemicals shall, within five days after the sale or purchase, file the type, quantity, and flow information of the sold or purchased precursor hazardous chemicals with the local county-level public security organ for record through the precursor hazardous chemicals information system.

The Regulations on the Safe Management of Hazardous Chemicals (《危險化學品安全管理條例》) (the "**Hazardous Chemicals Regulations**"), promulgated by the State Council on January 26, 2002, most recently revised and implemented on December 7, 2013. The Hazardous Chemicals Regulations stipulate the regulatory requirements for the safe production, storage, use, operation, and transportation of hazardous chemicals.

Fire Control

According to the Fire Control Law of the People's Republic of China (《中華人民共和國消防法》), promulgated by the NPC Standing Committee on April 29, 1998, most recently revised and implemented on April 29, 2021, the design and construction of fire protection facilities for a construction project must comply with national technical standards for fire protection in engineering. The development, design, construction, and engineering supervision units of a construction project are legally responsible for the design and construction quality of the project's fire protection facilities. Where a special development project has not undergone fire safety design examination or the fire safety design does not pass examination, the developer and the builder shall not carry out construction. Where

a development project which is required by law to undergo fire safety inspection and acceptance does not undergo fire safety inspection and acceptance, or does not pass fire safety inspection and acceptance, the project shall not be put into use.

Regulations on Product Liability

The Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》) (the "**Product Quality Law**"), promulgated by the NPC Standing Committee on February 22, 1993 and most recently revised and implemented on December 29, 2018, is the primary law concerning the supervision and administration of product quality. The Product Quality Law specifies the responsibilities of producers and sellers. Producers shall be responsible for the quality of the products they produce, while sellers shall take measures to ensure the quality of the products they sell.

Where a defective product causes personal injury or damage to property other than the defective product itself, the producer shall be liable for compensation. A producer shall not be liable for compensation if it can prove any of the following circumstances: (1) the product has not been put into circulation; (2) the defect causing the personal injury or property damage did not exist when the product was put into circulation; or (3) the level of science and technology at the time the product was put into circulation was not sufficient to discover the existence of the defect. If a product defect is caused by the fault of the seller, resulting in personal injury or damage to the property of others, the seller shall be liable for compensation. If the seller cannot identify the producer of the defective product nor its supplier, the seller shall be liable for compensation. If a defective product causes personal injury or property damage, the victim may claim compensation from the producer or seller of the product.

According to the Civil Code and the Product Quality Law, if a patient suffers harm due to a defective drug, they may claim compensation from the Marketing Authorization Holder, the producer, or the medical institution. If the patient claims compensation from the medical institution, the medical institution, after making compensation, has the right to seek recourse from the responsible Marketing Authorization Holder.

Regulations on Information Security and Data Protection

Personal Information Protection

According to the Civil Code, personal information is protected by law. Any organization or individual that needs to obtain the personal information of others shall obtain it in accordance with the law and ensure information security, and shall not illegally collect, use, process, or transmit the personal information of others, nor illegally trade, provide, or disclose the personal information of others. In addition, the processing of personal information shall follow the principles of legality, legitimacy, and necessity.

The Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》) (the "**Personal Information Protection Law**"), promulgated by the NPC Standing Committee on August 20, 2021 and implemented on November 1, 2021, stipulates that the processing of personal information shall have a clear and reasonable purpose, be limited to the minimum scope necessary to achieve the processing purpose, and be conducted in a manner that has the least impact on personal rights and interests, and personal information irrelevant to the processing purpose shall not be processed.

The Interpretation of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues Concerning the Application of Law in Handling Criminal Cases of Infringing on Citizens' Personal Information (《最高人民法院、最高人民檢察院關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋》) was issued on May 8, 2017 and implemented on June 1, 2017. This interpretation clarifies certain concepts related to the crime of "infringing on citizens' personal information" as stipulated in Article 253-1 of the Criminal Law of the People's Republic of China, including "citizens' personal information," "violating relevant state regulations," "providing citizens' personal information," and "illegally obtaining citizens' personal information by other methods." In addition, the interpretation provides the criteria for determining whether this crime constitutes "serious circumstances" and "particularly serious circumstances".

Information Security and Review

On June 10, 2021, the NPC Standing Committee promulgated the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》) (the "**Data Security Law**"), which was implemented on September 1, 2021. The Data Security Law sets out the regulatory framework for supervising data security and the responsibilities of relevant administrative agencies. The Data Security Law stipulates that the central government shall establish a central data security work coordination mechanism, which shall coordinate relevant departments covering different industries to formulate a catalogue of key data and shall take special measures to protect the security of key data.

The Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》) (the "**Cybersecurity Law**"), promulgated by the NPC Standing Committee on November 7, 2016, most recently revised on October 28, 2025 and implemented on January 1, 2026, stipulates that network operators shall fulfill cybersecurity protection obligations when conducting business and service activities. Providers of services via networks shall, in accordance with laws, administrative regulations and mandatory requirements of national standards, take technical measures and other necessary measures to ensure the secure and stable operation of the network, effectively respond to cybersecurity incidents, prevent illegal and criminal activities on the network, and maintain the integrity, confidentiality, and availability of network data. Network operators shall not collect personal information irrelevant to the services they provide, and shall not collect or use personal information in violation of the provisions of laws, administrative regulations, and their agreements with users. Personal information and important data collected and generated by operators of critical information infrastructure during their operations within the PRC shall be stored within the territory. The procurement of network products and services that may affect national security shall be subject to a national security review organized by the national cyberspace administration department in conjunction with relevant departments of the State Council.

On July 30, 2021, the State Council promulgated the Regulations on the Security Protection of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》), which was implemented on September 1, 2021. Pursuant to the Regulations on the Security Protection of Critical Information Infrastructure, "critical information infrastructure" refers to important network facilities and information systems in important industries such as public communication and information services, among others, as well as other important network facilities and information systems that, if destroyed, lose function, or suffer data leakage, could seriously endanger national security, the national economy and people's livelihood, or public interests.

On December 28, 2021, the Cyberspace Administration of China ("**CAC**") jointly promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》) with 12 other administrative agencies, which was implemented on February 15, 2022. According to the Measures for Cybersecurity Review, where operators of critical information infrastructure procure network products and services, and network platform operators carry out data processing activities that affect or may affect national security, they shall undergo a cybersecurity review in accordance with these measures. In addition, network platform operators possessing the personal information of more than one million users must apply for a cybersecurity review before listing abroad. If the competent authorities believe that an operator's network products or services or data processing activities affect or may affect national security, the competent authorities may also initiate a cybersecurity review of the operator.

On July 7, 2022, the CAC promulgated the Measures for Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》), which was implemented on September 1, 2022. The Measures for Security Assessment of Cross-border Data Transfer stipulate that a data processor providing data overseas shall, under any of the following circumstances, apply to the competent authorities for a security assessment of the cross-border data transfer: (1) the data processor provides important data overseas; (2) a critical information infrastructure operator and a data processor processing the personal information of more than one million individuals provides personal information overseas; (3) a data processor that has cumulatively provided the personal information of 100,000 individuals or the sensitive personal information of 10,000 individuals overseas since January 1 of the preceding year provides personal information overseas; (4) other circumstances requiring an application for security assessment of cross-border data transfer as stipulated by the CAC. In addition, the CAC promulgated the Measures on the Standard Contract for the Cross-border Transfer of Personal

Information (《個人信息出境標準合同辦法》) (the "**Standard Contract Measures**") on February 22, 2023, which was implemented on June 1, 2023. The Standard Contract Measures provide a prescribed template for the standard contract for the cross-border transfer of personal information, which can be used as an optional solution to meet the conditions for cross-border transfer of personal information as stipulated in Article 38 of the Personal Information Protection Law.

According to the Provisions on Promoting and Regulating Cross-Border Data Flows (《促進和規範數據跨境流動規定》), issued and implemented by the CAC on March 22, 2024, data processors that are not operators of critical information infrastructure will be exempted from applying for a security assessment for data export, signing a standard contract with the overseas recipient, or undergoing personal information protection certification if they cumulatively transfer the ordinary personal information of no more than 100,000 individuals overseas since January 1 of the current year.

On September 24, 2024, the State Council issued the Regulations on the Administration of Network Data Security (《網絡數據安全管理條例》), which will be implemented from January 1, 2025. The Regulations on the Administration of Network Data Security are not only the first regulations at the administrative level specifically targeting network data security, but also comprehensive implementing regulations for the compliance requirements set out in the Cybersecurity Law, the Data Security Law, and the Personal Information Protection Law. The Regulations on the Administration of Network Data Security introduce several key responsibilities, including requiring network data processors to specify the purpose and manner of processing personal information, as well as the types of personal information involved, before processing any personal information. The regulations also clarify the definition of important data, outline the responsibilities of important data processors, establish broader contractual requirements for data sharing between data processors, and introduce new exemptions for regulatory responsibilities regarding cross-border data transfer.

Regulations on Intellectual Property

The PRC is a party to several international intellectual property conventions, including but not limited to the Agreement on Trade-Related Aspects of Intellectual Property Rights, the Paris Convention for the Protection of Industrial Property, the Patent Cooperation Treaty, the Berne Convention for the Protection of Literary and Artistic Works, the Universal Copyright Convention, and the Madrid Agreement Concerning the International Registration of Marks.

Trademarks

Trademarks are protected by the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), promulgated by the NPC Standing Committee on August 23, 1982, most recently revised on April 23, 2019 and implemented on November 1, 2019, and the Regulations for the Implementation of the Trademark Law of the People's Republic of China (《中華人民共和國商標法實施條例》), promulgated by the State Council on August 3, 2002, most recently revised on April 29, 2014 and implemented on May 1, 2014. A trademark registrant intending to continue using the trademark after the expiry of the validity period shall undergo renewal procedures in accordance with relevant regulations within 12 months prior to the expiration. If the procedures are not completed on time, the trademark registrant may have a grace period of six months. The validity period of each renewal is ten years, calculated from the day after the expiration of the previous validity period. If the renewal procedures are still not completed within the grace period, the trademark registration will be cancelled. The administrative department for industry and commerce under the State Council has the authority to investigate any act of infringing the exclusive right to use a registered trademark. If a crime is suspected, the administrative department for industry and commerce shall promptly transfer the case to the judicial department for handling in accordance with the law.

Patents

Patents are protected by the Patent Law of the People's Republic of China (《中華人民共和國專利法》) (the "**Patent Law**"), promulgated by the NPC Standing Committee on March 12, 1984, most recently revised on October 17, 2020 and implemented on June 1, 2021, and the Implementing Regulations of the Patent Law of the People's Republic of China (《中華人民共和國專利法實施細則》), promulgated by the State Council on June 15, 2001, most recently revised on December 11, 2023 and implemented on January 20, 2024. The Patent Office of the China National Intellectual Property

Administration is responsible for patent work nationwide, while provincial patent work offices are responsible for patent administration within their respective administrative regions. An invention or utility model for which a patent right is granted shall possess novelty, inventiveness and utility. Calculated from their respective application dates, the term of protection for an invention patent is 20 years, for a utility model patent is 10 years, and for a design patent is 15 years. Any entity or individual intending to exploit the patent of another shall conclude a license contract for exploitation with the patentee and pay the patentee a royalty. Exploitation of a patent without the permission of the patent owner constitutes an infringement of the patent right. According to the Patent Law, for the purpose of public health, the patent administration department under the State Council may grant a compulsory license for a patented drug to manufacture and export it to countries or regions that conform to the relevant international treaties to which China is a party.

The Patent Law provides for patent term extension for new drug patents marketed in the PRC, and stipulates that the patent administration department under the State Council shall, at the request of the patentee, extend the patent term of an invention patent related to a new drug approved for marketing in the PRC to compensate for the time spent on the review and approval for marketing of the new drug. The compensation period shall not exceed five years, and the total effective patent term after the new drug is approved for marketing shall not exceed fourteen years.

Copyrights

Copyright in the PRC is primarily protected by the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》), promulgated by the NPC Standing Committee on September 7, 1990, most recently revised on November 11, 2020 and implemented on June 1, 2021, and the Regulations for the Implementation of the Copyright Law of the People's Republic of China (《中華人民共和國著作權法實施條例》), promulgated by the State Council on August 2, 2002, most recently revised on January 30, 2013 and implemented on March 1, 2013. These laws and regulations provide for the classification of works and the acquisition and protection of copyright.

Domain Names

Domain names are protected by the Measures for the Administration of Internet Domain Names in China (《中國互聯網絡域名管理辦法》), issued on November 5, 2004 by the Ministry of Information Industry of the People's Republic of China (which has been integrated into the Ministry of Industry and Information Technology of the People's Republic of China ("**MIIT**")). This regulation was replaced by the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》), issued by the MIIT on August 24, 2017 and implemented on November 1, 2017. The MIIT is the primary regulatory authority responsible for the administration of internet domain names in China. Domain name registration is handled by domain name service agencies established in accordance with relevant regulations, following the "first-to-file, first-to-register" principle. Domain name registration applicants shall provide true, accurate, and complete domain name information to the domain name registration service agency.

Trade Secrets

According to the Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》) (promulgated by the NPC Standing Committee on September 2, 1993, most recently revised on June 27, 2025 and effective from October 15, 2025), "trade secrets" refer to technical information, operational information, and other commercial information that is not known to the public, has commercial value, and for which the rights holder has taken corresponding confidentiality measures. Business operators shall not engage in the following acts of infringing on trade secrets: (i) obtaining the trade secrets of a rights holder by theft, bribery, fraud, coercion, electronic intrusion, or any other illicit means; (ii) disclosing, using, or allowing others to use the trade secrets of a rights holder obtained through the aforementioned means; (iii) disclosing, using, or allowing others to use trade secrets in their possession in breach of a confidentiality obligation or in violation of the rights holder's requirements for maintaining the secrecy of such trade secrets; (iv) instigating, luring, or assisting others to violate a confidentiality obligation or to violate a rights holder's requirements for maintaining secrecy to obtain, disclose, use, or allow others to use the rights holder's trade secrets. A natural person, legal person, or unincorporated organization that engages in the aforementioned illegal acts is deemed to have infringed on trade secrets. If a third party knows or

should have known that an employee or former employee of the trade secret rights holder, or any other entity or individual, has committed the acts described above, and still obtains, discloses, uses, or allows others to use the trade secret, that third party will be deemed to have infringed on the trade secret. A party whose trade secrets have been infringed may apply for administrative remedies, and the supervision and inspection department shall order the cessation of the illegal act and impose a fine on the infringing party.

Regulations on Taxation

PRC Enterprise Income Tax

According to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) (the "**EIT Law**"), promulgated by the NPC on March 16, 2007, most recently revised and implemented by the NPC Standing Committee on December 29, 2018, and its implementing regulations, the EIT Law generally imposes a unified income tax rate of 25% on all resident enterprises in the PRC (including foreign-invested enterprises). The EIT Law and its implementing regulations allow enterprises qualified as "High and New Technology Enterprises" to enjoy a reduced enterprise income tax rate of 15%.

PRC Value-added Tax

Pursuant to the Value-added Tax Law of the People's Republic of China (《中華人民共和國增值稅法》), issued on December 25, 2024 and implemented 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稅法實施條例》), issued on December 25, 2025 and implemented on January 1, 2026, unless otherwise stipulated, taxpayers selling goods, providing processing, repair, and replacement services, leasing tangible movable property, and importing goods shall pay value-added tax at a rate of 13%; selling transportation, postal, basic telecommunication, construction, and real estate leasing services, selling real estate, and transferring land use rights shall be subject to value-added tax at a rate of 9%; and unless otherwise stipulated, selling services and intangible assets shall be subject to value-added tax at a rate of 6%.

According to the Notice on Adjusting Value-Added Tax Rates (《財政部、稅務總局關於調整增值稅稅率的通知》), issued by the Ministry of Finance and the State Administration of Taxation on April 4, 2018 and implemented on May 1, 2018, from May 1, 2018, where taxpayers engage in VAT-taxable sales activities or import goods, the previously applicable rates of 17% and 11% were adjusted to 16% and 10%, respectively.

According to the Announcement on Policies for Deepening Value-Added Tax Reform (《關於深化增值稅改革有關政策的公告》), issued on March 20, 2019 and implemented on April 1, 2019, where general VAT taxpayers engage in VAT-taxable sales activities or import goods, the previously applicable rate of 16% was adjusted to 13%; the previously applicable rate of 10% was adjusted to 9%.

Regulations on Foreign Exchange

The Regulations of the People's Republic of China on Foreign Exchange Administration (《中華人民共和國外匯管理條例》), promulgated by the State Council on January 29, 1996 and most recently revised and implemented on August 5, 2008, established the regulatory framework for foreign exchange administration in China. Pursuant to the Regulations of the People's Republic of China on Foreign Exchange Administration, payments in foreign currency for current account items (such as trade, services, profits or current transfer-related transactions) are not subject to prior approval from the State Administration of Foreign Exchange of the People's Republic of China ("**SAFE**"), provided that certain procedural requirements are satisfied. Conversely, the conversion of Renminbi into foreign currency for capital account items to be remitted out of China, such as repaying foreign currency-denominated loans, or the remittance of foreign currency into China under capital accounts, such as capital increases or foreign currency loans provided by foreign entities to Chinese entities, is subject to approval or registration with the appropriate administrative authorities.

The Provisions on the Foreign Exchange Administration of Domestic Direct Investment by Foreign Investors (《外國投資者境內直接投資外匯管理規定》), promulgated by SAFE on May 10, 2013 and most recently revised and implemented on December 30, 2019, regulate and clarify the foreign

exchange administration for direct investment by foreign investors, and stipulate that SAFE or its local branches shall manage direct investment by foreign investors in the PRC through registration, and banks shall handle foreign exchange business related to direct investment in the PRC based on the information recorded by SAFE and its branches.

According to the Circular of the SAFE on Further Improving and Adjusting the Foreign Exchange Administration Policies for Direct Investment (《國家外匯管理局關於進一步改進和調整直接投資外匯管理政策的通知》) and its annexes, promulgated by SAFE in November 2012 and revised in May 2015, October 2018, and December 2019, foreign exchange procedures were further simplified. SAFE promulgated the Circular on Further Simplifying and Improving Foreign Exchange Administration Policies for Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) in February 2015 (effective in June 2015 and further revised in December 2019), which stipulates that banks may directly handle foreign exchange registration for outbound direct investment on behalf of SAFE, while SAFE and its branches indirectly supervise the foreign exchange registration for outbound direct investment through banks. On April 3, 2024, SAFE promulgated the Guidelines for Foreign Exchange Business under the Capital Account (2024 Edition) (《資本項目外匯業務指引(2024年版)》), which was implemented on May 6, 2024, providing guidance for foreign exchange business under the capital account.

According to the Circular on Reforming the Management Method of Foreign Exchange Capital Settlement of Foreign-Invested Enterprises (《關於改革外商投資企業外匯資本金結匯管理方式的通知》), promulgated by SAFE in March 2015 and revised in December 2019 and March 2023, and the Circular of the SAFE on Reforming and Regulating the Management Policies for the Settlement of Foreign Exchange under the Capital Account (《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》), issued and implemented on June 9, 2016 and revised in December 2023, discretionary settlement of foreign exchange income under the capital account refers to foreign exchange income under the capital account for which discretionary settlement has been explicitly implemented by relevant policies (including foreign exchange capital, foreign debt funds, and funds repatriated from overseas listings), which can be settled at a bank according to the actual business needs of the domestic institution. The discretionary settlement ratio for foreign exchange income under the capital account of domestic institutions is provisionally set at 100%, and SAFE may adjust the aforementioned ratio in a timely manner based on the balance of payments situation. The Circular of the SAFE on Further Deepening Reform and Promoting the Facilitation of Cross-Border Trade and Investment (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》), issued and implemented by SAFE on December 4, 2023, further facilitates the payment and use of funds raised by foreign-invested enterprises from overseas listings. The capital account asset realization account is adjusted to a capital account settlement account. Foreign exchange funds raised by domestic enterprises from overseas listings can be directly remitted to the capital account settlement account. Funds in the capital account settlement account can be settled and used at the discretion of the enterprise.

According to the Circular on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business (《關於優化外匯管理支持涉外業務發展的通知》), issued and implemented by SAFE on April 10, 2020, eligible enterprises are allowed to use capital account income, such as capital, foreign debt, and proceeds from overseas listings, for domestic payments without providing authenticity-proving materials for such payments to the bank in advance, provided that the use of funds is authentic, compliant, and in line with the current administrative regulations on the use of capital account income. The relevant banks must conduct post-event random inspections, and the local branches of SAFE must strengthen supervision and analysis as well as interim and post-event supervision in accordance with relevant regulations.

On April 28, 2013, SAFE issued the Administrative Measures for Foreign Debt Registration (《外債登記管理辦法》), which was implemented on May 13, 2013, and parts of which were revised in accordance with the Circular of the SAFE on Annulling and Amending Relevant Normative Documents Concerning the Reform of the Registered Capital Registration System (《國家外匯管理局關於廢止和修改涉及注冊資本登記制度改革相關規範性文件的通知》). The Administrative Measures for Foreign Debt Registration stipulate that after borrowing foreign debt in accordance with regulations, the debtor shall register with or report to the local foreign exchange bureau information on the signing, drawdown, repayment, and settlement/sale of foreign exchange for the foreign debt in the prescribed manner.

According to the Notice of the People's Bank of China and the State Administration of Foreign Exchange on Issues Concerning the Administration of Funds Raised by Domestic Enterprises Listed Overseas (《中國人民銀行國家外匯管理局關於境內企業境外上市資金管理有關問題的通知》), promulgated by the People's Bank of China and the SAFE on December 24, 2025, effective on April 1, 2026, a domestic enterprise that conducts an overseas listing shall, within 30 working days from the first trading day of the overseas listing or the completion of the over-allotment option, apply to a bank within the province or the separately-listed municipality where it is registered for overseas listing registration. In principle, funds raised by domestic enterprises through overseas listings shall be remitted back to the territory in a timely manner. Where such funds are retained overseas for the conduct of overseas direct investment, overseas securities investment, overseas lending and other businesses, the domestic enterprise shall obtain the approval or filing documents from the business competent authorities before the date of completion of the overseas issuance or the over- allotment option, and shall comply with relevant cross-border funds administration provisions.

Regulations on Labor, Social Insurance and Housing Provident Fund

According to the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), promulgated by the NPC Standing Committee in July 1994 and most recently revised and became effective in December 2018, the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), promulgated by the NPC Standing Committee in June 2007, revised in December 2012 and became effective in July 2013, and the Regulations on the Implementation of the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法實施條例》), promulgated and became effective by the State Council in September 2008, an employer shall enter into a written labor contract with an employee when establishing a labor relationship. Wages shall not be lower than the local minimum wage standards. Employers must establish a labor safety and health system, strictly comply with national regulations and standards, provide labor safety and health education to employees, provide labor safety and health conditions and necessary labor protection articles that comply with national regulations, and arrange regular health checks for employees engaged in operations with occupational hazards.

According to the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》), promulgated by the NPC Standing Committee in October 2010 and most recently revised and became effective in December 2018, the Interim Regulations on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), promulgated by the State Council in January 1999 and most recently revised in March 2019, and the Regulations on the Management of Housing Provident Fund (《住房公積金管理條例》), promulgated by the State Council in April 1999 and most recently revised in March 2019, employers are required to make contributions on behalf of their employees to certain social insurance funds (including basic pension insurance fund, unemployment insurance fund, basic medical insurance fund, work-related injury insurance fund and maternity insurance fund) and housing provident fund.

Pursuant to the Interpretation (II) of the Supreme People's Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), promulgated on July 31, 2025, and effective as of September 1, 2025, where the employer and the laborer agree, or the laborer promises the employer, that there is no need to pay social insurance premiums, the people's court shall determine that such agreement or promise is invalid. Where the employer fails to pay social insurance premiums in accordance with the law, and the laborer requests to terminate the labor contract and for the employer to pay economic compensation in accordance with item (3), Article 38 of the Labor Contract Law of the People's Republic of China, the people's court shall support such claim in accordance with the law. Where the circumstances in the preceding provisions exist, and the employer, after making up the social insurance premiums in accordance with the law, requests the laborer to return the social insurance compensation already paid, the people's court shall support such claim in accordance with the law.

Laws and Regulations Relating to Outbound Investment

The Administrative Measures for Outbound Investment (《境外投資管理辦法》) were promulgated by MOFCOM on September 6, 2014 and implemented on October 6, 2014. According to these measures, outbound investment refers to the act of an enterprise legally established within the territory of the People's Republic of China owning a non-financial enterprise or acquiring the ownership,

control, management rights and other interests of an existing non-financial enterprise outside the PRC through new establishment, merger and acquisition and other means. Outbound investment by an enterprise involving sensitive countries and regions or sensitive industries is subject to approval and administration by MOFCOM and the provincial-level competent commerce departments. Outbound investment by an enterprise in other circumstances is subject to filing and administration by MOFCOM and the provincial-level competent commerce departments. MOFCOM and the provincial-level competent commerce departments issue an "Enterprise Outbound Investment Certificate" to enterprises that have obtained filing or approval.

The Administrative Measures for Enterprise Outbound Investment (《企業境外投資管理辦法》) were promulgated by the NDRC on December 26, 2017 and implemented on March 1, 2018. According to these measures, outbound investment refers to investment activities whereby an enterprise within the territory of the People's Republic of China, directly or through its controlled overseas enterprises, acquires overseas ownership, control, management rights and other related interests by means of investing assets, equity, or providing financing, guarantees, etc. When an investing entity carries out outbound investment, if the investment project involves sensitive countries and regions or sensitive industries, it must be reported to the NDRC for approval; if the investment project does not involve sensitive countries and regions or sensitive industries and is classified as a non-sensitive project, the investing entity shall file the relevant materials with the NDRC or its provincial-level counterpart department. The Catalogue of Sensitive Industries for Outbound Investment (2018 Version) (《境外投資敏感行業目錄(2018版)》), promulgated by the NDRC on January 31, 2018 and implemented on March 1, 2018, contains a detailed list of the aforementioned sensitive industries.

Regulations on Overseas Listing

Regulations on Overseas Issuance of Securities and Listing by Domestic Enterprises

Pursuant to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**"), promulgated by the CSRC on February 17, 2023 and effective from March 31, 2023, a domestic enterprise conducting an initial public offering or listing overseas shall file with the CSRC within three working days after submitting its application documents for overseas issuance and listing.

According to the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》), jointly promulgated by the CSRC and other departments on February 24, 2023 and implemented on March 31, 2023, domestic enterprises in their overseas issuance and listing activities, as well as the securities companies and securities service institutions providing corresponding services for them, shall strictly abide by the relevant PRC laws and regulations and the requirements of these provisions, enhance their legal awareness of protecting state secrets and strengthening archives management, establish and improve confidentiality and archives work systems, take necessary measures to implement confidentiality and archives management responsibilities, shall not leak state secrets and work secrets of state organs, and shall not harm national and public interests. Where a domestic enterprise provides or publicly discloses, or provides or publicly discloses through its overseas listed entity, documents or materials involving state secrets or work secrets of state organs to relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, it shall, in accordance with the law, report to the competent authority with approval power for approval and file with the confidentiality administrative department at the same level for record.

Regulations on H-Share "Full Circulation"

According to the Guidelines on the Application for "Full Circulation" of Domestically 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》), promulgated by the CSRC on November 14, 2019 and revised on August 10, 2023, "full circulation" refers to the **[REDACTED]** and circulation on the Hong Kong Stock Exchange of the unlisted domestic shares of H-share listed companies (including unlisted domestic shares held by domestic shareholders before overseas listing, unlisted domestic shares issued domestically after overseas listing, and unlisted shares held by foreign shareholders). Provided that relevant laws and regulations, as well as policy requirements for state-owned asset management, foreign investment, and industry supervision are met,

shareholders of unlisted domestic shares may voluntarily negotiate and determine the number and proportion of shares to apply for circulation, and entrust the corresponding H-share listed company to file for registration with the CSRC. A domestic joint stock limited company that is not yet listed may, at the time of its initial public offering and listing overseas, also file for "full circulation" with the CSRC.

LAWS AND REGULATIONS OF THE UNITED STATES

Laws and Regulations of New Drug Developments

In the U.S., the FDA regulates drugs under the Federal Food, Drug, and Cosmetic Act (the "**FDCA**"), its implementing regulations, and biologics under the FDCA, the Public Health Service Act (the "**PHSA**"), and their respective implementing regulations. Both drugs and biologics are also subject to other federal, state, and local statutes and regulations, including those related to competition. The process of securing regulatory approvals and subsequent compliance with applicable federal, state, and local statutes and regulations entails the expenditure of significant time and financial resources. Failure to comply with applicable U.S. requirements at any stage of product development, the approval process, or post-approval may expose an applicant to administrative actions or judicial sanctions. Such actions and sanctions may include, but are not limited to, the FDA's refusal to approve pending applications, withdrawal of an existing approval, revocation of a license, imposition of a clinical hold, issuance of untitled or warning letters, voluntary or mandatory product recalls or market withdrawals, product seizures, total or partial suspension of production or distribution, injunctions, fines, denial of government contracts, restitution, disgorgement, and civil or criminal fines or penalties.

Once a product candidate is identified for development, it enters preclinical testing, which includes laboratory evaluations of product chemistry, toxicity, formulation and stability, as well as animal studies. Preclinical testing is conducted in accordance with the FDA's Good Laboratory Practice regulations. A sponsor of an IND must submit the results of preclinical testing, manufacturing information, analytical data, the clinical trial protocol, and any available clinical data or literature to the FDA. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA raises concerns or questions and places the trial on a clinical hold within that 30-day period. The FDA may also impose clinical holds or partial clinical holds at any time during clinical trials due to safety concerns or non-compliance. An IND applicant may proceed with a clinical investigation once notified by the FDA, typically through a "study may proceed" letter with or without non-holding comments, that the investigation may proceed, or after 30 days if the IND is not placed on clinical hold, which is an order issued by the FDA to the sponsor of an IND application to delay a proposed clinical investigation or suspend an ongoing investigation.

All clinical trials, which involve the administration of the investigational product to humans, must be conducted under the supervision of one or more qualified investigators in accordance with the Good Clinical Practice regulations, including the requirement that all research subjects provide informed consent in writing before their participation in any clinical trial. Further, an Institutional Review Board ("**IRB**") must review and approve the plan for any clinical trial before it commences at any institution, and the IRB must conduct continuing review and reapprove the study at least annually. Each new clinical protocol and any amendments to the protocol must be submitted for FDA review, and to the IRBs for approval. An IRB can suspend or terminate approval of a clinical trial at its institution if the trial is not being conducted in accordance with the IRB's requirements or if the product has been associated with unexpected serious harm to subjects. Clinical trials generally are conducted in three sequential phases, known as Phase I, Phase II and Phase III, and may overlap. Phase I clinical trials generally involve a small number of healthy volunteers or disease-affected patients who are initially exposed to a single dose and then multiple doses of the product candidate. The primary purpose of these clinical trials is to assess the metabolism, pharmacologic action, side effect, tolerability and safety of the product candidate. Phase II clinical trials involve studies on disease-affected patients to evaluate proof of concept and/or determine the dose required to produce the desired benefits. At the same time, safety and further PK and PD information is collected, possible adverse effects and safety risks are identified and a preliminary evaluation of efficacy is conducted. Phase III clinical trials generally involve a large number of patients at multiple sites and are designed to provide the data necessary to demonstrate the effectiveness of the product for its intended use, its safety in use and to establish the overall benefit/risk relationship of the product and provide an adequate basis for product labeling.

Progress reports detailing the results of the clinical trials must be submitted at least annually to the FDA. Safety reports must be submitted to the FDA and the investigators 15 calendar days after the trial sponsor determines that the information qualifies for reporting. The sponsor also must notify the FDA of any unexpected fatal or life-threatening suspected adverse reaction as soon as possible but in no case later than 7 calendar days after the sponsor's initial receipt of the information. Sponsors of clinical trials of FDA-regulated products, including drugs, are required to register and disclose certain clinical trial information, which is publicly available at **www.clinicaltrials.gov**.

Concurrent with clinical trials, companies usually complete additional animal studies and must also finalize a process for manufacturing the product in commercial quantities in accordance with GMP requirements. The process of obtaining regulatory approvals and compliance with appropriate federal, state, local and foreign statutes and regulations require the expenditure of substantial time and financial resources. Failure to comply with the applicable U.S. requirements may subject an applicant to administrative or judicial sanctions.

Review and Approval Processes

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

Within 60 days of its receipt, the FDA reviews the NDA/BLA to ensure that it is sufficiently complete for substantive review before it accepts the NDA/BLA for filing. After accepting the NDA/BLA filing, the FDA begins an in-depth substantive review to determine, among other things, whether a product is safe and effective for its intended use. The FDA also evaluates whether the product's manufacturing is GMP-compliant to assure the product's identity, strength, quality and purity. Before approving the NDA/BLA, the FDA typically will inspect whether the manufacturing processes and facilities are in compliance with GMP requirements and adequate to assure consistent production of the product within required specifications. The FDA may refer the NDA/BLA to an advisory committee, a panel of experts, for review whether the application should be approved and under what conditions and considers such recommendations when making decisions.

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

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

FDA Acceptance of Foreign Clinical Studies

Pursuant to Title 21 of the Code of Federal Regulations ("**21 CFR**") 312.120 and 314, FDA acknowledges that sponsors may elect to conduct multinational clinical studies under a range of scenarios. Such multinational studies may include U.S. sites conducted under an IND, foreign sites conducted under an IND, and/or foreign sites not conducted under an IND. Some sponsors may even

seek to rely exclusively on foreign clinical data to support an IND or an application for marketing approval in the United States. An application based solely on foreign clinical data that satisfies U.S. criteria for marketing approval may be approved if: (1) the foreign data are relevant to the U.S. population and U.S. clinical practice; (2) the studies were conducted by duly qualified clinical investigators; and (3) the data may be regarded as valid without an on-site inspection by the FDA, or, if the FDA deems such an inspection necessary, the FDA is able to validate the data through an on-site inspection or other appropriate means. If an application fails to satisfy any of these criteria, it cannot be approved on the basis of the foreign data alone. The FDA will apply this policy flexibly based on the nature of the drug and the data under review.

U.S. BIOSECURE Act

On December 18, 2025, the BIOSECURE Act (the "**BIOSECURE Act**") was enacted as Section 851 of the National Defense Authorization Act for Fiscal Year 2026 (the "**FY2026 National Defense Authorization Act**"). The BIOSECURE Act prohibits, after the applicable effective date and subject to statutory exceptions and waivers, U.S. executive agencies from (1) procuring or obtaining biotechnology equipment or services produced or provided by a biotechnology company of concern; (2) entering into, renewing or extending certain contracts where such equipment or services are used in the performance of the relevant federal contract; and (3) using federal loan or grant funds, or permitting recipients to use such funds, to procure, obtain or use such equipment or services.

The BIOSECURE Act identifies biotechnology companies of concern by reference to, among others, entities included on the Department of Defense Section 1260H list and involved in biotechnology equipment or services, entities designated by the Office of Management and Budget ("**OMB**"), and certain qualifying parents, subsidiaries and successors of such entities. OMB is required to publish its initial list within one year following enactment of the BIOSECURE Act, followed by implementing guidance and revisions to the Federal Acquisition Regulation ("**FAR**"). The relevant prohibitions will become effective 60 or 90 days after the applicable FAR revisions, depending on the relevant designation pathway.

LAWS AND REGULATIONS OF AUSTRALIA

Laws and Regulations of Clinical Development

Clinical trials conducted in Australia are regulated by the Therapeutic Goods Administration ("**TGA**"). Clinical trials must comply with a number of Australian laws and regulations at Commonwealth and State/Territory levels, including the *Therapeutic Goods Act 1989* (Cth) and the *Therapeutic Goods Regulations 1990* (Cth). Clinical trials must also comply with the ICH Guidelines for Good Clinical Practice, as adopted and annotated by the TGA (the "**ICH GCP Guidelines**"), and the National Statement on Ethical Conduct in Human Research (the "**National Statement**").

There are two approval schemes for clinical trials in Australia: the Clinical Trial Notification ("**CTN**") scheme and the Clinical Trial Approval ("**CTA**") scheme. The CTN scheme involves notifying the TGA of the clinical trial without the TGA undertaking any evaluation of the trial. The CTA scheme involves notifying the TGA of the clinical trial and requires the TGA to conduct an evaluation and assessment prior to trial commencement. The CTN scheme is generally used for early-phase studies where adequate preclinical data regarding the product, particularly its safety profile, are available. The CTA scheme is generally used for high-risk or novel treatments where limited or no safety information on the product exists. The decision as to which scheme to follow generally rests with the trial sponsor and the applicable Human Research Ethics Committee ("**HREC**"), although the CTA scheme is

mandatory for certain types of biological medicines. Clinical trials in Australia require approval from the research institute conducting the trial, following review by its HREC prior to initiation. HRECs are also responsible for overseeing the conduct of clinical trials.

Clinical trials conducted in Australia must have an Australian company as the trial sponsor. A foreign corporation may engage an Australian company to act as the trial sponsor, often referred to as the Local Sponsor. In such circumstances, the foreign corporation itself is not required to obtain any licenses or authorizations in relation to the clinical trial. The Australian trial sponsor is responsible for the initiation, management and financing (or arrangement of financing) of the clinical trial, and is legally liable for the conduct of the trial, including obtaining all necessary licenses or authorizations. The trial sponsor is not required to be the manufacturer of the product under trial. The product manufacturer may rely on the trial results when seeking registration of the product on the Australian Register of Therapeutic Goods.

Clinical trials in Australia must comply with the ICH GCP Guidelines as annotated by the TGA. The TGA's annotations provide additional guidance on compliance with the National Statement, obtaining informed consent in special circumstances, responsibilities for trial conduct (including trial management, data handling and record keeping), the manufacturing, packaging, labelling and coding of investigational products, and adverse drug reaction reporting. Approval of a clinical trial in Australia is conditional on compliance with the ICH GCP Guidelines as annotated by the TGA.

Clinical trials in Australia must also comply with the National Statement, which establishes Australian ethical standards for the review of all human research, including clinical trials. Approval of a clinical trial in Australia is conditional on compliance with the National Statement.

With respect to safety reporting requirements, clinical trials conducted in Australia must follow the Note for Guidance on Clinical Safety Data Management: Definitions and Standards for Expedited Reporting (CPMP/ICH/377/95), as annotated by the TGA, and the National Health and Medical Research Council ("**NHMRC**") Guidance: Safety Monitoring and Reporting in Clinical Trials Involving Therapeutic Goods.

In addition, under the ICH GCP Guidelines as annotated by the TGA, products used in clinical trials must comply with applicable good manufacturing practices ("**GMP**"). For investigational products manufactured in Australia, the relevant manufacturing standards are set out in the *Therapeutic Goods (Manufacturing Principles) Determination 2020* (Cth). Generally, therapeutic goods (other than blood, blood components, haematopoietic progenitor cells and biologicals that do not comprise or contain live animal cells, tissues or organs) must be manufactured in accordance with the Guide to Good Manufacturing Practice of Medicinal Products (PE 009-15, 1 May 2021) published by PIC/S.

Under both the CTN and CTA schemes, the clinical trial sponsor for a trial involving medicines or biological products must provide the TGA with information regarding the proposed dosage form, route of administration, formulation, dosage and frequency of administration of the product, among other information, prior to trial commencement. If a dosage change is proposed following completion of a Phase I clinical trial, such change must either be notified to the TGA (for trials under the CTN scheme) or approved by the TGA (for trials under the CTA scheme). The proposed change will also require review and approval by the HREC overseeing the trial.

OVERVIEW

We are an innovative antimicrobial peptide ("**AMP**") therapeutics company. We were established in April 2009 and are headquartered in Jiangsu, with R&D centers in Jiangyin and Nanjing. Under the leadership of Dr. Chen, our founder, the chairman of the Board, an executive Director, chief executive officer, and president of our Company and a member of our Single Largest Group of Shareholders, we have established four technology platforms that significantly support our research and development ("**R&D**"): the membrane-targeting mechanism-based antimicrobial peptide *De Novo* design platform (AMPDDP), the PROTAC-based targeted protein degrader discovery platform ("**PROnexTAC**"), the novel mechanism-based peptidomimetic discovery and development platform ("**PepMetics**"), and the innovative peptide formulation diversified development and precision delivery platform ("**FDDP**"). These platforms underpin our differentiated product pipeline, characterized by high technological barriers and outstanding clinical value, enabling the development of multiple products designed to overcome the limitations of traditional therapies. Please refer to the section headed "Directors and Senior Management" for details relating to Dr. Chen's experience and qualifications.

MILESTONES OF DEVELOPMENT

The following is a summary of our major business development milestones:

Year	Event
2006	Changchun ProteLight was established by Dr. Chen as its sole shareholder to engage in the research and development of anti-infective drugs.
2007	Changchun ProteLight was granted exclusive rights to any Chinese patents or applications arising from PCT/US2005/45393, which is the compound patent for PL-5, and relevant know-how for any and all uses in the PRC, Taiwan, Hong Kong and Macao pursuant to a licensing agreement entered into with the University of Colorado. Dr. Chen was one of the inventors of that patent.
2008	The proposal submitted by Changchun Protelight to recruit foreign experts to participate in its broad-spectrum protein-based antibiotics (antimicrobial peptides) (廣譜抗菌蛋白類抗生素(抗菌肽)) research project was approved and listed by the State Administration of Foreign Experts Affairs (國家外國專家局) (the "**SAFEA**") in the 2007 Overseas Talent Program (國外智力項目計劃). The proposal submitted by Changchun Protelight to recruit foreign experts to participate in its new generation of highly effective broad-spectrum antibiotics (antimicrobial peptides) (新一代高效廣譜抗生素 — 抗菌肽) research project was approved and listed by the SAFEA in the 2008 Overseas Talent Program.
2009	Our Company was established as a limited liability company in Jiangsu, the PRC, under the former name of Jiangyin ProteLight Pharmaceutical Biotechnology Co., Ltd.* (江陰普萊醫藥生物技術有限公司).
2010	Changchun Protelight partnered with the College of Animal Science and Veterinary Medicine at Jilin University (吉林大學畜牧獸醫學院) to develop a new breed of transgenic sheep resistant to Brucellosis using antimicrobial peptides, and has obtained patents for such antimicrobial peptides. The Jilin Provincial Department of Science and Technology (吉林省科學技術廳) commissioned Changchun Protelight to undertake the research tasks for the preclinical and phase I clinical studies of Lysotide (樂舒肽)[(1)], a new class I antimicrobial drug, as part of Jilin Province's major scientific and technological research program (重大科技攻關項目). We initiated screening of compounds derived from the PL-1 series since May 2009 and selected PL-5 as the target compound for IND development in October 2010.

Note:

(1) Lysotide (樂舒肽) was the former name for our PL-5.

Year	Event
2011	Our Company acquired Changchun ProteLight as a wholly owned subsidiary conducting research and development activities.
	Our headquarters were established at the Jiangyin Yangtze River Biomedical Accelerator (江陰揚子江生物醫藥加速器).
	Our 1,800-square-meter production facility for daily-care products was completed.
2012	Our antimicrobial peptide PL-5 spray project was selected as a National Major Science and Technology Special Project (科技重大專項) under the 12th Five-Year Plan.
	Our Company's name was changed to Jiangsu ProteLight Pharmaceutical and Biotechnology Co., Ltd* (江蘇普萊醫藥生物技術有限公司).
2013	We completed our development in the PRC of active pharmaceutical ingredient (API) processes, formulation and dosage form development, and the production of three representative batches, together with their quality studies and stability testing in December 2013.
	We completed our key in vitro and in vivo pharmacodynamic studies (which was initiated since March 2011) in the PRC for the PL-5, including MIC, MBC and KCs studies, as well as three animal efficacy studies on skin infections in mice, in December 2013.
2014	We completed PK studies (which was initiated in October 2012) in the PRC for the PL-5 involving the topical application of different doses to the skin of minipigs and mice in February 2014.
	We completed single-dose toxicity studies and other studies in the PRC for the PL-5 in connection with safety evaluations of repeated-dose toxicity, reproductive and genotoxicity, and local irritation. Those studies were initiated since December 2012.
	We formally applied to the NMPA for an IND for our antimicrobial peptide PL-5 spray project in July 2014.
2016	The PL-5 has obtained clinical trial approvals (Phase I, II, and III approvals granted simultaneously) from the NMPA in May 2016 and initiated Phase I clinical trials, becoming the first antimicrobial peptide innovation drug to enter human clinical trials in the PRC.
2017	Our peceleganan spray PL-5 project and the antimicrobial peptide PL-18 suppository project were both selected as a National Major Science and Technology Special Project (科技重大專項) under the 13th Five-Year Plan period.
	We were listed as an "Innovation and Entrepreneurship Award Team" (雙創諾獎團隊) in Jiangsu, the PRC.
2019	Our pharmaceutical industrial base was officially opened in Jiangyin.
	We hosted the International Forum on Cutting-Edge Technologies and Industrialization of Peptide Drugs (國際多肽藥物前沿技術與產業化高峰論壇).
	We were honored as a "Potential Unicorn Enterprise in the Southern Jiangsu National Independent Innovation Demonstration Zone" (蘇南國家自主創新示範區潛在獨角獸企業) and a "Wuxi Quasi Unicorn Enterprise" (無錫市准獨角獸企業).
2020	Nanjing Denovo, one of our wholly owned subsidiaries, was established to conduct research and development activities focusing on pharmaceutical products.
	Jiangsu Putai, one of our wholly owned subsidiaries, was established for the production and sales of daily-care products.

Year	Event
	Wuxi Ruiyi, one of our wholly owned subsidiaries, was established to primarily engage in sales of daily-care products.
2021	ProteLight Australia was established as our first overseas wholly-owned subsidiary for conducting research and development of pharmaceutical products.
	We licensed in the compound patents for PL-5, which were registered in the U.S., from the University of Colorado. Dr. Chen was one of the inventors of such patents.
2022	Our PL-5 received FDA approval to conduct phase II clinical trial in the U.S. in May 2022.
	Our PL-18 suppository received approval for conducting first-in-human clinical trial in Australia in April 2022.
	We were selected as one of China's Top 100 Innovative Pharmaceutical Seed Companies in 2022 (2022中國醫藥創新種子企業100強).
2023	Our PL-18 receives IND approval from the NMPA in January 2023.
	We obtained ISO 9001 quality management system certification.
	We were selected as one of China's Top 100 Innovative Pharmaceutical Seed Companies in 2023 (2023中國醫藥創新種子企業100強).
	We were listed as Wuxi's Top Talent-Attracting Enterprise (無錫市最佳人才企業).
	Our PL-5 entered into Phase II clinical trial in the U.S. in November 2023.
2024	Hangzhou Fuertai, one of our wholly owned subsidiaries, was established to engage in sales of daily-care products
	Our PL-3301 oral gel received U.S. FDA approval to initiate Phase I clinical trials in June 2024.
	Our PL-18 suppository received U.S. FDA approval to initiate Phase II clinical trials in October 2024.
	We established the Jiangsu Province Engineering Research Center for Innovative Peptide Drugs ("江蘇省多肽創新藥物工程研究中心").
	Our PL-5 received acceptance notice for application of its New Drug Application (NDA) in China in December 2024.
2025	UltraPep Biopharm, one of our wholly owned subsidiaries, was established in Linhai, the PRC, and is primarily engaged in the production and research and development of active pharmaceutical ingredients.
	Our PL-5 passed the combined on-site inspection for drug registration in May 2025.
	Our PL-3301 oral gel obtained clinical trial approval from NMPA in July 2025.
	The first human dosing for the PL-3301 Phase I trial was administered in October 2025.
2026	Our PL-5 received NDA approval as a Class 1 innovative drug from the NMPA in June 2026.

OUR PRINCIPAL SUBSIDIARIES

We regard the following subsidiaries as our major subsidiaries in terms of financial contribution and/or strategic business development during the Track Record Period:

Name of Entity	Principal Business Activities	Date and place of establishment	Shareholding
Nanjing Denovo	Research and development of pharmaceutical products	May 26, 2020, PRC	100%
Jiangsu Putai	Production and sales of daily care products	July 14, 2020, PRC	100%
Wuxi Ruiyi	Sales of daily care products	August 3, 2020, PRC	100%
Hangzhou Fuertai	Sale of daily-care products	November 25, 2024, PRC	100%
UltraPep Biopharm	Production and research and development of pharmaceutical products	October 15, 2025, PRC	100%

MATERIAL ACQUISITION, MERGER AND DISPOSAL

During the Track Record Period and up to the Latest Practicable Date, we had not conducted any acquisitions, disposals or mergers that we considered to be material to us.

CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES OF OUR GROUP

1. Establishment of our Company

On April 8, 2009, our Company was established as a limited liability company in Jiangsu with an initial registered capital of RMB6,121,200. The shareholding structure of our Company upon establishment is set forth in the table below:

Shareholders	Registered capital subscribed for	Corresponding equity interest in our Company
	(RMB'000)	*(%)*
Dr. Chen	2,467.16	40.31
Beijing Xinguohong Joint Property Management Co., Ltd.* (北京新國宏聯合物業管理有限公司) (currently known as Hainan Xinguohong Joint Investment Co., Ltd.* (海南新國宏聯合投資有限公司)) ("**Hainan Xinguohong**")	317.14	5.18
Jilin Chengfeng Chemicals Co., Ltd.* (吉林乘風化學有限公司) ("**Jilin Chengfeng**")	115.30	1.88
Jiangyin Fengsheng Real Estate Co., Ltd.* (江陰豐盛置業有限公司) (currently known as Jiangyin Fengsheng New Materials Co., Ltd.* (江陰豐盛新材料有限公司)) ("**Jiangyin Fengsheng**")	221.61	3.62
Jiangyin High-Tech Venture Capital Co., Ltd.* (江陰市高新技術創業投資有限公司) ("**Jiangyin High-Tech**")	3,000.00	49.01
Total	6,121.20	100.00

Jilin Chengfeng is a limited liability company incorporated under the laws of the PRC and primarily engaged in the manufacture of chemical products. To the best of our Directors' knowledge, it was wholly owned by ZN Trading Co., Ltd.* (ZN貿易株式會社) (**"ZN Trading"**). To the best of our Director's knowledge, all shareholders of Jilin Chengfeng and ZN Trading are independent third parties.

Jiangyin High-Tech is a limited liability company incorporated under the laws of the PRC and primarily engaged in investment activities. To the best of our Directors' knowledge, it was owned as to 99% and 1% by Jiangyin Science and Technology Talent Development Group Co., Ltd.* (江陰市科技人

才發展集團有限公司) and Jiangyin High-Tech Entrepreneurship Service Center* (江陰高新技術創業服務中心), respectively, which are both state-owned entities. To the best of our Director's knowledge, all shareholders of Jiangyin High-Tech are independent third parties.

2. Changes in Shareholding Structure of our Company prior to the Track Record Period

On May 31, 2011, Jiangyin High-Tech entered into an equity transfer agreement with Dr. Chen, Hainan Xinguohong, Jilin Chengfeng, Jiangyin Fengsheng, ULE Holdings, Robert Stanley Hodges (together the "**2011 Transferees**"), and the Company, pursuant to which Jiangyin High-Tech transferred its 49.01% equity interest in our Company to the 2011 Share Transferees in the aggregate consideration of RMB3,460,603, which was determined based on arm's length negotiation between the parties taking into account the registered capital being transferred, the total investment period and an annual appreciation rate of 8%, and fully settled in cash on August 15, 2011. Upon the completion of such equity transfer, our Company was owned as to approximately 75.11%, 10.16%, 3.70%, 7.10%, 2.41%, and 1.52% by Dr. Chen, Hainan Xinguohong, Jilin Chengfeng, Jiangyin Fengsheng, ULE Holdings, and Robert Stanley Hodges, respectively.

On October 10, 2011, our then Directors resolved to increase the registered capital of our Company from RMB6,121,200 to RMB7,374,900 by the capital injections of RMB1,253,700 by Chengdu Tianqi Industrial (Group) Co., Limited (成都天齊實業(集團)有限公司) ("**Chengdu Tianqi**"). The capital injection was fully settled in cash by Chengdu Tianqi on November 16, 2011. Immediately following the aforesaid capital injection, our Company had a registered share capital of RMB7,374,900 and was owned as to approximately 62.34%, 8.43%, 3.07%, 5.90%, 2.00%, 1.26%, and 17.00% by Dr. Chen, Hainan Xinguohong, Jilin Chengfeng, Jiangyin Fengsheng, ULE Holdings, Robert Stanley Hodges, and Chengdu Tianqi, respectively.

Chengdu Tianqi is a limited liability company incorporated under the laws of the PRC and primarily engaged in the manufacturing and sales of chemicals, minerals, and construction materials. To the best of our Directors' knowledge, it was owned as to 90% and 10% by Mr. Jiang Weiping (蔣衛平) and Ms. Zhang Jing (張靜), respectively. To the best of our Director's knowledge, all shareholders of Chengdu Tianqi are independent third parties and Chengdu Tianqi is not related to Chia Tai Tianqing.

Pursuant to the equity transfer agreement dated February 1, 2012 between Jilin Chengfeng, Changchun Wanhou Technology Co., Ltd.* (長春萬厚科技有限公司) ("**Changchun Wanhou**") and the Company, Jilin Chengfeng transferred its 3.07% equity interest in our Company to Changchun Wanhou at the consideration of RMB226,178.34 which was determined after arm's length negotiation, having taken into account the registered capital of our Company at the time of agreement and our net assets based on our unaudited management accounts at the relevant time. Changchun Wanhou is a limited liability company incorporated under the laws of the PRC and primarily engaged in research and development. Immediately prior to its deregistration in November 2014, it was owned as to 80% and 20% by Mr. Mu Libin (穆立彬) and Mr. Yu Xiujie (于秀杰), respectively. To the best of our Director's knowledge, all shareholders of Changchun Wanhou are independent third parties.

Following a series of capital increase and equity transfers among the then Shareholders, our Company had a registered capital of RMB23,121,200 as at June 8, 2012, and was owned as to approximately 62.34%, 8.43%, 3.07%, 5.90%, 2.00%, 1.26%, and 17.00% by Dr. Chen, Hainan Xinguohong, Changchun Wanhou, Jiangyin Fengsheng, ULE Holdings, Robert Stanley Hodges, and Chengdu Tianqi, respectively.

3. Changes in Shareholding Structure of our Company during the Track Record Period

Pre*-[REDACTED] *Investments

Our Company concluded various rounds of pre-**[REDACTED]** investments between 2015 and 2025. For further details, please refer to the paragraphs headed "— Details of the Pre-**[REDACTED]** Investments" in this section below.

Conversion into a Joint Stock Company with Limited Liability

On December 25, 2025, our then Shareholders passed resolutions approving, among other matters, the conversion of our Company from a limited liability company into a joint stock company with limited liability and the change of our Company's name to ProteLight Pharmaceuticals (Jiangsu) Co., Ltd.* (普萊醫藥(江蘇)股份有限公司). Pursuant to the promoters' agreement entered into by all the then Shareholders on December 15, 2025, all promoters approved the conversion of RMB314,894,620.68 in net assets value of our Company as of November 30 2025 into 51,533,475 Shares at par value of RMB1 each, with the remaining RMB263,361,145.68 in net assets converted to capital reserves of our Company. The 51,533,475 Shares were issued to the then Shareholders of our Company in proportion to their capital contribution to our Company. Upon the completion of registration on January 29, 2026, our Company was converted into a joint stock company with limited liability, and renamed as ProteLight Pharmaceuticals (Jiangsu) Co., Ltd. (普萊醫藥(江蘇)股份有限公司).

Upon the completion of the conversion but prior to the Share Subdivision, the shareholding structure of our Company was as follows:

No.	Shareholder	Number of Shares	Shareholding
			(%)
1	Dr. Chen	14,414,519	27.97%
2	Tianqi HK	4,109,606	7.97%
3	Jiangyin Puyuan	4,004,003	7.77%
4	PICC Fund	3,226,100	6.26%
5	Jiangsu Jiequan	2,668,784	5.18%
6	Guangzhou Xienuo	2,487,675	4.83%
7	Efung Runjun	2,217,687	4.30%
8	Hainan Xinguohong	1,826,101	3.54%
9	Jiangyin Chengyuan	1,823,683	3.54%
10	Guoxin S&T Fund	1,760,983	3.42%
11	Xiamen Xienuo	1,674,978	3.25%
12	Jiangyin Fengsheng	1,362,348	2.64%
13	Shanghai Tuyuan	1,267,673	2.46%
14	Jiangyin Xinguolian	1,234,334	2.40%
15	Jiangyin Jiangyuan	983,045	1.91%
16	Shanghai Aoxu	867,355	1.68%
17	Hainan Yizhilu	709,096	1.38%
18	Zhuhai Huajin	645,219	1.25%
19	Jiangyin Hengfeng	638,979	1.24%
20	Taizhou Jiaojiang	617,167	1.20%
21	ULE Holdings	462,496	0.90%
22	Chia Tai Pharma	439,497	0.85%
23	Jiangyin Keji	412,881	0.80%
24	Jiangsu Fiscal	412,881	0.80%
25	Hangzhou Tiger	411,444	0.80%
26	Phyllis Ellen Hodges	292,275	0.57%
27	Jiangyin Xinyue	247,729	0.48%
28	Shanghai Purui	165,152	0.32%
29	Xu Zihe	123,865	0.24%
30	Wuxi Bianri	25,920	0.05%
	Total	**51,533,475**	**100%**

4. Establishment of UltraPep Biopharma

In order to support the expected commercialization of our Core Product, PL-5, and the research of other key drug candidates (including PL-18 and PL-3301), we established a wholly-owned subsidiary, UltraPep Biopharma (Zhejiang) Co., Ltd. ("**UltraPep Biopharma**"). UltraPep Biopharma is located in the Taizhou Bay Economic and Technological Development Zone ("**Taizhou Bay**"), Linhai, Taizhou City, Zhejiang Province, with a registered capital of RMB130.0 million.

On December 15, 2025, UltraPep Biopharma entered into a Land Use Rights Transfer Agreement with the Linhai Bureau of Natural Resources and Planning (the "**Land Bureau**"). Under this contract, UltraPep Biopharma acquired the land use rights for an industrial site with a total site area of 30,666 sq.m. located in the aforementioned development zone, for a consideration of RMB16.85 million and land consolidation expenses of RMB6.9 million.

Taizhou Bay is one of the largest and most concentrated national-level industrial parks dedicated to API research, development, and manufacturing in the PRC, which provides a highly mature and supportive ecosystem for our operations. The development and production of innovative drugs are expressly classified as encouraged industrial projects by the local authorities of Taizhou Bay. Consequently, our proposed API production facility stands to benefit from a highly favorable operating environment, underpinned by robust governmental policy support and comprehensive infrastructural resource allocation specifically tailored to the biopharmaceutical sector. Therefore, as confirmed by our PRC Legal Advisors, save for the fulfillment of standard statutory compliance procedures, there is not any other specific conditions or restrictions on the commercialisation of drug candidates in Taizhou Bay.

EMPLOYEE SHAREHOLDING PLATFORM

In recognition of the contributions of our employees and to incentivize them to further promote our development, the then Shareholders approved and our Company adopted an employee incentive scheme (the "**Employee Incentive Scheme**") on August 23, 2022. In relation to the Employee Incentive Scheme, Jiangyin Puyuan is the Employee Incentive Platform and was established under the laws of the PRC as a limited partnership on September 25, 2020.

According to the partnership agreement, all management power and voting rights of Jiangyin Puyuan reside with its executive and general partner, being Dr. Chen (our chairman of the Board, an executive Director, chief executive officer, and president of our Company and a member of our Single Largest Group of Shareholders). As of the Latest Practicable Date, the limited partners of Jiangyin Puyuan are the grantees under the Employee Incentive Schemes. See "Appendix V — Statutory and General Information — D. Employee Incentive Scheme" in this Document for further details of the Employee Incentive Schemes. As of the Latest Practicable Date, Dr. Chen held approximately 26.83% partnership interest in Jiangyin Puyuan, and the remaining approximately 73.17% partnership interest in Jiangyin Puyuan was held by 33 limited partners, including: (i) five Directors, namely Ms. CHEN Mingxia (our executive Director and vice president), who held approximately 15.41% partnership interest in Jiangyin Puyuan, Mr. ZHANG Wendong (our executive Director, vice president and secretary of the Board), who held approximately 6.27% partnership interest in Jiangyin Puyuan, Mr. ZHOU Peng (our executive Director and head of finance), who held approximately 5.04% partnership interest in Jiangyin Puyuan, Mr. FENG Shangbin (our executive Director and head of quality department), who held approximately 4.62% partnership interest in Jiangyin Puyuan, and Mr. DONG Hu (our executive Director and head of clinical medicine department), who held approximately 2.50% partnership interest in Jiangyin Puyuan; and (ii) 28 other employees of our Group, who held an aggregate of approximately 39.33% partnership interest in Jiangyin Puyuan, none of whom held 5% partnership interest or more in Jiangyin Puyuan. As of the Latest Practicable Date, none of these limited partners held one-third of partnership interest or more in Jiangyin Puyuan.

As of the Latest Practicable Date, Jiangyin Puyuan owned approximately 7.77% of our issued Shares. All restricted shares under the Employee Incentive Schemes were granted to specified participants as of the Latest Practicable Date, and the Employee Incentive Schemes do not involve any grant of new Shares or restricted shares by the Company after the **[REDACTED]**.

DETAILS OF THE PRE-[REDACTED] INVESTMENTS

1. Principal Terms of the Pre-[REDACTED] Investments

Our Company has concluded several rounds of investments with the Pre-**[REDACTED]** Investors. The following table summarizes the key terms of the subscription of new Shares under the Pre-**[REDACTED]** Investments:

	Series Pre-A Pre-[REDACTED] Financing[(1)]	Series A Pre-[REDACTED] Financing[(3)]	Series B Pre-[REDACTED] Financing[(4)]	Series C Pre-[REDACTED] Financing[(5)]	Series D Pre-[REDACTED] Financing[(6)]	Series D+ Pre-[REDACTED] Financing[(7)]
Date of agreement	November 20, 2015, November 26, 2015, December 7, 2015, December 10, 2015	November 11, 2016	June 6, 2017, August 15, 2018, August 31, 2018	January 4, 2021	December 28, 2022	October 28, 2025
Date of full settlement of consideration	March 2, 2016	January 31, 2018	September 20, 2018	September 30, 2021	June 28, 2023	February 25, 2026
Approximate cost per Share[(8)]	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Amount of registered capital/Shares subscribed	RMB165,150	RMB4,718,614	RMB6,537,247	RMB1,111,912	RMB5,760,223	RMB4,628,752
Amount of consideration paid for equity subscription	RMB20,000,000[(2)]	RMB96,000,000	RMB133,000,000	RMB33,330,883	RMB279,999,831.83	RMB224,999,931.72
Discount to the **[REDACTED]**[(9)]	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Valuation of our Company[(10)]	Pre-money: RMB280,000,000[(11)]	Pre-money: RMB504,000,000[(12)]	Pre-money: RMB600,000,000[(13)]	Pre-money: RMB1,080,000,000[(14)]	Pre-money: RMB2,000,000,000[(15)]	Pre-money: RMB2,280,000,000[(16)]
	Post-money: RMB300,000,000	Post-money: RMB600,000,000	Post-money: RMB733,000,000	Post-money: RMB1,133,330,000	Post-money: RMB2,280,000,000	Post-money: RMB2,505,000,000
Basis of determination of the valuation and consideration	The consideration of the Pre-**[REDACTED]** Investments were determined based on arm's length negotiation between our Company and the Pre-**[REDACTED]** Investors with reference to among others, (i) the status of our business operations and financial performance at the relevant time, including the progress of our Company's research and development and status of clinical trials of our Core Products, (ii) the business value of the Company and its subsidiaries at the time of the Pre-**[REDACTED]** Investments, and (iii) the market conditions and the market value of comparable companies at the relevant time. For details, see notes (8), (9) and (10) below.					
Use of **[REDACTED]** and whether they have been fully utilized	As of the Latest Practicable Date, save for the net proceeds received from the Series D+ Pre-**[REDACTED]** Financing which have not been utilized, we have utilized all the net proceeds received from the other Pre-**[REDACTED]** Investments for developments and operation of our principal business of our Group.					
Lock-up period	Subject to a lock-up period of 12 months following the **[REDACTED]** pursuant to the PRC Company Law.					
Strategic benefits of the Pre-**[REDACTED]** Investments brought to our Group	Our Group would benefit from the additional capital injected by the Pre-**[REDACTED]** Investors in our Group, their business resources, knowledge and experience, potential business opportunities and benefits that may be provided by them, and their investments demonstrate their commitment and confidence in the business performance and operations, strengths and long-term prospects of our Group.					

Notes:

(1) Investors who subscribed equity interest as part of our capital increase in the Series Pre-A Pre-**[REDACTED]** Financing include Chengdu Tianqi, Jiangyin Keji (as defined below), Jiangsu Fiscal (as defined below), and Ningbo Junlin Investment Management Co., Ltd.* (寧波君霖投資管理有限公司) ("**Ningbo Junlin**"). Our Series Pre-A Pre-**[REDACTED]** Financing also included transfers of equity interests amounting to RMB709,096 for a total consideration of RMB226,178.34 from Changchun Wanhou to Changchun Jinsheng Oil Products Co., Ltd.* (長春市金盛油品有限公司) ("**Changchun Jinsheng**"). Such consideration was determined after arm's length negotiation, having taken into account the registered capital of our Company at the time of agreement and its net assets based on its unaudited management accounts, having considered the associated relationship between Changchun Wanhou and Changchun Jinsheng. Mr. Mu Libin (穆立彬) was the then controlling shareholder of these entities and

was interested in 80% of the equity interests of each of Changchun Wanhou and Changchun Jinsheng. Such share transfer was agreed in December 2015 and had been fully settled by cash. Accordingly, investors involved in our Series Pre-A Round Pre-**[REDACTED]** Financing include Chengdu Tianqi, Jiangyin Keji, Jiangsu Fiscal, Ningbo Junlin and Changchun Jinsheng.

Ningbo Junlin was no longer a shareholder of our Company as of the Latest Practicable Date. Ningbo Junlin is a limited liability company incorporated under the laws of the PRC and primarily engaged in investment activities. To the best of our Directors' knowledge, Ningbo Junlin was wholly owned by Mr. Wang Yixin (王益新) and Mr. Li Jiang (李江) as to 99% and 1%, respectively. To the best of our Directors' knowledge, all shareholders of Ningbo Junlin are independent third parties.

(2) The consideration for this transaction was settled as follows: (i) in relation to Jiangyin Keji, Jiangsu Fiscal and Ningbo Junlin, by cash in the aggregate amount of RMB15,000,000 which was fully settled in March 2016, and (ii) in relation to Chengdu Tianqi, by cash in respect of RMB1,745,000, and by write-off of an equivalent amount of RMB3,255,000 then owed to Chengdu Tianqi at the relevant time pursuant to a loan agreement dated November 1, 2014, all of which was fully settled in December 2015.

(3) Investors who subscribed equity interest as part of our capital increase in the Series A Pre-**[REDACTED]** Financing include Jiangyin Binjiang Science and Technology Venture Investment Co., Ltd.* (江陰濱江科技創業投資有限公司) ("**Jiangyin Binjiang**"). As of the Latest Practicable Date, Jiangyin Binjiang was no longer a shareholder of our Company. Jiangyin Binjiang is a limited liability company incorporated under the laws of the PRC and primarily engaged in investment activities. To the best of our Directors' knowledge, it was wholly owned by Jiangyin High-Tech Industrial Development Zone Investment Service Center* (江陰高新技術產業開發區投資服務中心), an independent third party to the best of our Directors' knowledge. Our Series A Pre-**[REDACTED]** Financing also included transfers of equity interests amounting to RMB165,152 for a total consideration of RMB2 million from Ningbo Junlin to Jiangyin Yinxing Valley Equity Investment Partnership (Limited Partnership)* (江陰銀杏谷股權投資合夥企業(有限合夥)) ("**Jiangyin Yinxing**"), which was determined after arm's length negotiation having taken into account the registered capital of our Company at the time of agreement, our historical financial performance, business prospects of our Company, and the current and expected market conditions. Such share transfers were fully settled by cash by May 2016. Accordingly, investors involved in our Series A Round Pre-**[REDACTED]** Financing include Jiangyin Binjiang and Jiangyin Yinxing.

Jiangyin Yinxing was no longer a shareholder of our Company as of the Latest Practicable Date. Jiangyin Yinxing is a limited partnership established under the laws of the PRC and primarily engaged in investment activities. To the best of our Directors' knowledge, it was owned as to 26%, 20%, 13%, 10%, 10%, 10%, 10%, and 1% by Ms. Liang Xia (梁霞), Jingning Ruigu Investment Partnership (Limited Partnership)* (景寧瑞谷投資合夥企業(有限合夥)), Mr. Wu Gejun (吳歌軍), Mr. Hang Wei (杭偉), Mr. Chen Guoliang (陳國良), Mr. Zhou Jianjian (周堅堅), Zhejiang Yungu Venture Capital Co., Ltd.* (浙江雲谷創業投資有限公司), Jiangyin Ruigu Investment Management Co., Ltd.* (江陰瑞谷投資管理有限公司), respectively. To the best of our Directors' knowledge, all shareholders of Jiangyin Yinxing are independent third parties.

(4) Investors who subscribed equity interest as part of our capital increase in the Series B Pre-**[REDACTED]** Financing include State Investment (Shanghai) Technology Transfer Venture Capital Fund Enterprise (Limited Partnership)* (國投(上海)科技成果轉化創業投資基金企業(有限合夥)) ("**Major Special Fund**"), Jiangyin Jiangyuan (as defined below), and Jiangyin Hengfeng (as defined below). Our Series B Pre-**[REDACTED]** Financing also included transfers of equity interests amounting to RMB709,096 for nil consideration from Changchun Jinsheng to Changchun Yizhilu New Medicine Research and Development Center (Limited Partnership)* (長春醫知鹿新醫藥研製中心(有限合夥)) (currently known as Hainan Yizhilu New Drug Research and Development Center (Limited Partnership)* (海南醫知鹿新藥研製中心(有限合夥)) ("**Hainan Yizhilu**"), associated parties with Ms. Mu Sitong (穆思彤) being the then controlling shareholder of Changchun Jinsheng and executive and general partner of Hainan Yizhilu, respectively, interested in 95% of the equity interests of each of Changchun Jinsheng and Hainan Yizhilu). Such share transfers were agreed in May 2018 and fully settled. Accordingly, investors involved in our Series B Round Pre-**[REDACTED]** Financing include Major Special Fund, Jiangyin Jiangyuan, Jiangyin Hengfeng, and Hainan Yizhilu.

Major Special Fund was not a shareholder of our Company as of the Latest Practicable Date. Major Special Fund is a limited partnership established under the laws of the PRC and primarily engaged in private equity investments\. To the best of our Directors' knowledge, it was owned as to 26.85%, 19.36%, 14.44%, 12.79%, 10.23%, 7.70%, 3.85%, 2.15%, 1.50%, 0.64%, and 0.50% by (i) State Development & Investment Corp., Ltd.* (國家開發投資集團有限公司), (ii) Ningbo Meishan Bonded Port Area Qianping Chongshun Investment Management Partnership (Limited Partnership)* (寧波梅山保稅港區乾平涌順投資管理合夥企業(有限合夥)), (iii) Ningbo Meishan Bonded Port Area Luojia Ximing Investment Management Partnership (Limited Partnership)* (寧波梅山保稅港區珞佳熙明投資管理合夥企業(有限合夥)), (iv) Shanghai Venture Capital (Group) Co., Ltd.* (上海科技創業投資(集團)有限公司), (v) China Life Insurance Company Limited (中國人壽保險股份有限公司), (vi) Changjiang Pension Insurance Co., Ltd.* (長江養老保險股份有限公司), (vii) Xizang Zangcai Investment Partnership (Limited Partnership)* (西藏藏財投資合夥企業(有限合夥)), (viii) China Pacific Life Insurance Company Limited* (中國太平洋人壽保險股份有限公司), (ix) Nantong Cinda CICC Continuation Equity Investment Partnership (Limited Partnership)* (南通信達中金接續股權投資合夥企業(有限合夥)), (x) SDIC (Shanghai) Venture Capital Management Co., Ltd.* (國投(上海)創業投資管理有限公司), and (xi) Guosen Capital Co., Ltd.* (國信資本有限責任公司), respectively. Hainan Yizhilu is a limited partnership established under the laws of the PRC and primarily engaged in research and development of drugs. To the best of our Directors' knowledge, it was owned as to 95% and 5% by Ms. Mu Sitong (穆思彤) and Mr. Mu Libin (穆立斌), respectively. To the best of our Directors' knowledge, all partners of Major Special Fund and Hainan Yizhilu are independent third parties.

(5) Pursuant to the equity transfer agreement dated December 4, 2020 entered into between Ms. Liu Yu, spouse of Dr. Chen, and Jiangyin Binjiang, Jiangyin Binjiang transferred its equity interest amounting to RMB4,718,614 in the consideration of RMB96,000,000 to Ms. Liu Yu, which was determined based on arm's length negotiation having taken into account the investment period and the investment return expected by Jiangyin Binjiang. Ms. Liu Yu was not a shareholder of our Company as of the Latest Practicable Date. Investors who agreed to (i) subscribe for equity interest amounting to RMB1,111,912, and (ii) purchase such amount of equity interest amounting to RMB4,718,614 from Ms. Liu Yu as part of our capital increase in the Series C Pre-**[REDACTED]** Financing include Jiangsu Jiequan, Jiangyin Chengyuan, Shanghai Aoxu, Shanghai Tuyuan, and Wuxi Bianri (each as defined below). Our Series C Pre-**[REDACTED]** Financing also included transfers of equity interests amounting to RMB663,869 for a total consideration of RMB15 million in aggregate (which was determined after arm's length negotiation having taken into account the registered capital of our Company at the time of agreement, our historical financial performance, business prospects of our Company, and the current and expected market conditions) from Hainan Xinguohong to Ms. Xu Zihe, Ningbo Junlin to Jiangyin Xinyue (as defined below), and the inheritance of Mr. Robert Stanley Hodges by will to Ms. Phyllis Ellen Hodges, respectively. Such share transfers were agreed in September 2021 and was fully settled in September 2021. Accordingly, investors involved in our Series C Round Pre-**[REDACTED]** Financing include Jiangsu Jiequan, Jiangyin Chengyuan, Shanghai Tuyuan, Wuxi Bianri, Ms. Xu Zihe, and Jiangyin Xinyue.

(6) Investors who subscribed equity interest as part of our capital increase in the Series D Pre-**[REDACTED]** Financing include Jiangyin Xinguolian, Jiangyin Chengyuan, PICC Fund, Chia Tai Pharmaceutical, Zhuhai Huajin, Taizhou Jiaojiang, and Hangzhou Tiger (each as defined below). Our Series D Pre-**[REDACTED]** Financing also included transfers of equity interests amounting to RMB1,801,579 for a total consideration of RMB77,064,558 in aggregate from Major Special Fund to PICC Fund and Chia Tai Pharma, Chengdu Tianqi to Zhuhai Huajin, and Jiangyin Yinxing to Shanghai Purui (as defined below), which was determined after arm's length negotiation having taken into account the registered capital of our Company at the time of agreement, our historical

financial performance, business prospects of our Company, and the current and expected market conditions. Such share transfers were agreed in December 28, 2022, January 5, 2023 and April 24, 2023 and fully settled by cash by June 28, 2023. Accordingly, investors involved in our Series D Round Pre-**[REDACTED]** Financing include Jiangyin Chengyuan, PICC Fund, Chia Tai Pharmaceutical, Zhuhai Huajin, Taizhou Jiaojiang, and Shanghai Purui.

(7) Investors who subscribed equity interest as part of our capital increase in the Series D+ Pre-**[REDACTED]** Financing include Efung Runjun, Guangzhou Xienuo, Xiamen Xienuo, and Guoxin S&T Fund (each as defined below). Our Series D+ Pre-**[REDACTED]** Financing also included transfers of equity interests amounting to (i) RMB3,512,571 for the consideration of RMB112,331,066 from Major Special Fund to Efung Runjun, Guangzhou Xienuo, Xiamen Xienuo, and Guoxin S&T Fund (each as defined below, which was agreed in October 2025 and was fully settled, and (ii) RMB4,109,606 for the consideration of RMB131,424,000 from Chengdu Tianqi to Tianqi HK (as defined below) (the "**Tianqi Share Transfer**"), which was agreed in January 2026 and the consideration was fully settled by cash by Tianqi HK in February, 2026. Both share transfers were determined after arm's length negotiation having taken into account the registered capital of our Company at the time of agreement, our historical financial performance, business prospects of our Company, and the current and expected market conditions. Accordingly, investors involved in our Series D+ Round Pre-**[REDACTED]** Financing include Efung Runjun, Guangzhou Xienuo, Xiamen Xienuo, Guoxin S&T Fund, and Tianqi HK.

(8) The cost per Share paid by the Pre-**[REDACTED]** Investors was calculated based on the amount of investment made by the relevant Pre-**[REDACTED]** Investors and number of Shares acquired in each respective round of investment, and the conversion of our Company from a limited liability company to a joint stock limited liability company on January 29, 2026, as applicable and assuming that the Share Subdivision is completed.

(9) The discount to the **[REDACTED]** is calculated based on the foreign exchange rate as of the Latest Practicable Date and the assumption that the **[REDACTED]** is HK$**[REDACTED]** per H Share (being the mid-point of the indicative **[REDACTED]** range).

(10) The post-money valuation of our Company equals the total consideration paid by each round of Pre-**[REDACTED]** Investors divided by the percentage of equity interests held of such investors immediately following their investments.

(11) The valuation of our Company for the Series Pre-A Pre-**[REDACTED]** Financing was determined by arms-length negotiation considering our progress made in the research and development of our peceleganan spray including, in particular, our application made to the NMPA for an IND for our antimicrobial peptide PL-5 spray project.

(12) The valuation of our Company for the Series A Round Pre-**[REDACTED]** Financing was determined by arms-length negotiation considering our Group has obtained clinical trial approval in relation to our PL-5 (Phase I, II, and III approvals granted simultaneously) from the NMPA and initiated Phase I clinical trials.

(13) The valuation of our Company for the Series B Round Pre-**[REDACTED]** Financing was determined by arms-length negotiation considering our Group's peceleganan spray project and antimicrobial peptide PL-18 suppository project obtained national recognition including being selected as a National Major Science and Technology Special Project (科技重大專項) under the 13th Five-Year Plan period.

(14) The valuation of our Company for the Series C Round Pre-**[REDACTED]** Financing was determined by arms-length negotiation considering our Group's significant expansion in operation, size, and research capabilities since the establishment of Nanjing Denovo, Jiangsu Putai, ProteLight Hong Kong, and ProteLight Australia in 2020 and 2021 as well as our Company having licensed in the compound patents for PL-5, which were registered in the U.S., from the University of Colorado.

(15) The valuation of our Company for the Series D Round Pre-**[REDACTED]** Financing was determined by arms-length negotiation considering (i) our Group's peceleganan spray received FDA approval to conduct phase II clinical trial in the US, and (ii) our Group's antimicrobial peptide PL-18 suppository received approval for conducting first-in-human clinical trial in Australia and (iii) our Company being selected as one of China's Top 100 Innovative Pharmaceutical Seed Companies in 2022 (2022中國醫藥創新種子企業100強).

(16) The valuation of our Company for the Series D+ Round Pre-**[REDACTED]** Financing was determined by arms-length negotiation consideration our Group's antimicrobial peptide PL-18 received IND approval from the NMPA in 2023, and further expansion in size and operations since the establishment of UltraPep Biopharm in 2025. The significant increase in the valuation of our Company as compared to the Group's valuation based on the **[REDACTED]** range was primarily a result of (i) the upcoming completion of the PL-3301 Phase Ia clinical trial in February 2026, which facilitated future Phase II trials, (ii) the progression of the PL-18 Phase II clinical trial, which obtained preliminary TFL data in January 2026, (iii) the advancement of the PL-MD-333 toward an IND filing following the preliminary completion of initial API molecule research and development in August 2025 and the initiation of non-GLP toxicity and toxicokinetic study in February 2026 supported by in vivo pharmacodynamic results (positive signals observed at low and mid doses during the 4-week Stage 2 intervention) in MASH models initiated in September 2025, and (iv) critical research developments since August 2025 including (a) the discovery of a novel development strategy for PL-4902 through in vitro serial-passage studies showing that, when combined with an existing antibiotic, it prevents the emergence of bacterial resistance, (b) the successful preclinical in vivo efficacy study of the PL-AC-2001 series in a human triple-negative breast cancer (MDA-MB-436) xenograft model, demonstrating dose-dependent tumor-growth inhibition, and (c) the successful in vivo efficacy study of PL-AC-1001 in a human ovarian cancer (OVCAR3) xenograft model, showing tumor-inhibition efficacy comparable to the positive control, demonstrating best-in-class potential.

2. Special rights granted to the Pre-[REDACTED] Investors

The Pre-**[REDACTED]** Investors (save for the pre-**[REDACTED]** investors of the Series Pre-A and Series A Pre-**[REDACTED]** Financing who were not granted with divestment rights) were granted rights including nomination rights for directors and supervisors, right to prior consent for major corporate actions, divestment rights, anti-dilution rights, right to preferential treatment in liquidation, rights of first refusal, pre-emptive rights, information rights, and right of entitlement to the same favorable terms offered to other investors. Pursuant to a supplemental agreement entered into by our Company with, among others, the then Shareholders of the Company dated November 29, 2025, (a) the divestment rights of the Pre-**[REDACTED]** Investors shall be terminated immediately prior to our first submission of the **[REDACTED]** application to the Stock Exchange (the "**[REDACTED] Application**"); and (b) all of the other special rights shall be terminated upon the **[REDACTED]**. In the event that (i) our Company fails to complete our **[REDACTED]** within 24 months after the **[REDACTED]** Application is accepted by the Stock Exchange (except where the period exceeds 24 months but the application remains within the normal review process); (ii) the **[REDACTED]** Application is withdrawn, or is refused or rejected by the CSRC (where applicable) or the Stock Exchange; (iii) the Company submits a written notice to the Stock Exchange withdrawing its

[REDACTED] Application (excluding withdrawals made for the purpose of resubmitting the application); or (iv) the Stock Exchange approves the Company's **[REDACTED]** Application but the Company fails to complete the issuance of shares within the validity period of such approval, all the special rights shall be reinstated.

3. Information regarding the Pre-[REDACTED] Investors

Our Pre-**[REDACTED]** Investors include sophisticated investors, namely PICC Equity Investment (as defined below), PICC Fund and Efung Runjun. The background information of our Pre-**[REDACTED]** Investors is set out below. To the best of our Directors' knowledge, information and belief, save as disclosed below, all the Pre-**[REDACTED]** Investors are independent third parties.

Pre-[REDACTED] Investors	Background
PICC Scientific Innovation Equity Investment Fund (Shanghai) Center (Limited Partnership)* (人保科創股權投資基金(上海)中心(有限合夥)) ("**PICC Fund**") (Sophisticated Investor)	PICC Fund is a limited partnership established under the laws of the PRC on September 23, 2020 and primarily engaged in private equity investment. To the best of our Directors' knowledge, PICC Fund was managed by its sole general partner, PICC Capital Equity Investment Co., Ltd.* (人保資本股權投資有限公司) ("**PICC Equity Investment**"), an investment fund manager registered under the Asset Management Association of China (中國證券投資基金業協會). PICC Equity Investment is a PRC-incorporated investment management company and, to the best of our Directors' knowledge, information and belief, an independent third party (save for being our indirect substantial shareholder) which is wholly owned by PICC Capital Insurance Asset Management Co., Ltd.* (人保資本保險資產管理有限公司) ("**PICC Asset Management**"). PICC Asset Management is wholly owned by The People's Insurance Company (Group) of China Limited ("**PICC Group**"). The executive partner and general partner of PICC Fund is PICC Equity Investment, which held 0.30% partnership interest in PICC Fund. To the best of our Directors' knowledge, the remaining 99.70% partnership interest in PICC Fund was held by 4 limited partners, including: (i) PICC Property and Casualty Company Limited* (中國人民財產保險股份有限公司) ("**PICC Property**") which held approximately 33.23% partnership interest in PICC Fund, and is in turn held as to approximately 68.98% by PICC Group, (ii) China Life Insurance Company Limited* (中國人民人壽保險股份有限公司) which held approximately 33.23% partnership interest in PICC Fund, and is in turn owned as to approximately 71.08%, 10%, 8.61%, 5%, 5%, and 0.31% by PICC Group, Sumitomo Life Insurance Company* (日本住友生命保險公司), PICC Property, Bank of Ayudhya, Asia Financial Holdings Limited, and PICC Asset Management Co., Ltd.* (中國人保資產管理有限公司), respectively, (iii) CCB Pilot Strategic Emerging Industries Development Fund (Limited Partnership)* (建信領航戰略性新興產業發展基金(有限合夥)) which held 30.00% partnership interest in PICC Fund, and is in turn owned as to 30% by Shenzhen Guiding Fund Investment Co., Ltd.* (深圳市引導基金投資有限公司) and 16 other partners which held less than 15% interest, and (iv) Wuxi Fengrun Investment Co., Ltd.* (無錫豐潤投資有限公司) which held approximately 3.23% partnership interest in PICC Fund. PICC Equity Investment is a professional private equity fund management company with assets under management of approximately RMB6,714 million as of December 31, 2025, and has had extensive investments in advanced manufacturing, healthcare, and technological innovation sectors, with focus on investment in, among others, pharmaceutical and medical sector companies. In addition to the Company, the investment portfolio of PICC Equity Investment also includes companies in the pharmaceutical and biotechnology sectors such as Baiming Xinkang Biotechnology (Zhejiang) Co., Ltd.* (百明信康生物技術(浙江)股份有限公司), and other Hong Kong listed companies, such as Biocytogen Pharmaceuticals (Beijing) Co., Ltd. (百奧賽圖(北京)醫藥科技股份有限公司) (stock code: 2315) and Jenscare Scientific Co., Ltd. (寧波健世科技股份有限公司) (stock code: 9877). Thus, PICC Equity Investment is a sophisticated investor as defined under Chapter 2.3 of the Guide for New Listing Applicants. As of March 31, 2023, (i.e. being shortly after the full settlement of PICC Fund's investment in our Company pursuant to the Series D Round Pre-**[REDACTED]** Financing), the total assets under management of PICC Fund was approximately RMB2,895 million, including its then investments of RMB149,999,964 in our Company.

Pre-[REDACTED] Investors	Background
	As PICC Equity Investment is the executive and general partner of PICC Fund, PICC Fund is a sophisticated investor as defined under Chapter 2.3 of the Guide for New Listing Applicants. To the best of our Directors' knowledge, information and belief, save for being a substantial shareholder of our Company, the general partner and all the limited partners of PICC Fund are independent third parties.
Hangzhou Efung Runjun Venture Capital Partnership (Limited Partnership)* (杭州倚鋒潤君創業投資合夥企業(有限合夥)) ("**Efung Runjun**") (Sophisticated Investor)	Efung Runjun is a limited partnership established in the PRC on January 7, 2025 and primarily engaged in investment activities. To the best of our Directors' knowledge, Efung Runjun was managed by its executive and general partner, Shenzhen Yifeng Investment Management Enterprise (Limited Partnership)* (深圳市倚鋒投資管理企業(有限合夥)) ("**Shenzhen Yifeng**"). Shenzhen Yifeng was ultimately controlled by Mr. Zhu Jinqiao (朱晋橋), and held approximately 1% partnership interest in Efung Runjun. To the best of our Directors' knowledge, the remaining approximately 99% partnership interest in Efung Runjun was held by 8 limited partners, including: (i) Linhai Puda Equity Investment Partnership (Limited Partnership)* (臨海浦達股權投資合夥企業(有限合夥)) who held approximately 19.22% partnership interest in Efung Runjun, (ii) Shaoxing Binhai New Area Biomedical Industry Equity Investment Fund Partnership (Limited Partnership)* (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)) who held approximately 19.22% partnership interest in Efung Runjun, (iii) Hangzhou Gongshu Industrial Investment Fund Co., Ltd.* (杭州拱墅產業投資基金有限公司) who held approximately 19.22% partnership interest in Efung Runjun, and (iv) 5 other limited partners which each held less than 10.00% partnership interest in Efung Runjun. Shenzhen Yifeng is an investment fund principally dedicated to investment in, among others, health care and biotech, with assets under management of approximately RMB5,440 million as of December 31, 2025. Shenzhen Yifeng has a professional investment team with a deep focus on the biopharmaceutical sector. Its investment portfolio includes, but is not limited to, Wuhan He Yuan Biotechnology Co., Ltd.* (武漢禾元生物科技股份有限公司) (a company whose shares are listed on the Shanghai Stock Exchange, stock code: 688765), Shenzhen Beixin Life Technology Co., Ltd.* (深圳北芯生命科技股份有限公司) (a company whose shares are listed on the Shanghai Stock Exchange, stock code: 688712), Shenzhen Chipscreen Biosciences Co., Ltd.* (深圳微芯生物科技股份有限公司) (a company whose shares are listed on the Shanghai Stock Exchange, stock code: 688321), Frontier Biotechnologies Inc. (Nanjing)* (前沿生物藥業(南京)股份有限公司) (a company whose shares are listed on the Shanghai Stock Exchange, stock code: 688221), Ascentage Pharma Group International (亞盛醫藥集團) (a company whose shares are listed on the Stock Exchange (stock code: 6855) and NASDAQ (stock code: AAPG)), Shenzhen Pumen Technology Co., Ltd.* (深圳普門科技股份有限公司) (a company whose shares are listed on the Shanghai Stock Exchange, stock code: 688389), OBiO Technology (Shanghai) Corp., Ltd.* (和元生物技術(上海)股份有限公司) (a company whose shares are listed on the Shanghai Stock Exchange, stock code: 688238), 3D Medicines Inc.* (思路迪醫藥股份有限公司) (a company whose shares are listed on the Stock Exchange, stock code: 1244) and HBM Holdings Limited* (和鉑醫藥控股有限公司) (a company whose shares are listed on the Stock Exchange, stock code: 2142). Thus, Shenzhen Yifeng is a sophisticated investor as defined under Chapter 2.3 of the Guide for New Listing Applicants. As Shenzhen Yifeng is the executive and general partner of Efung Runjun, Efung Runjun is a sophisticated investor as defined under Chapter 2.3 of the Guide for New Listing Applicants. As of June 30, 2025, which was shortly prior to the signing of the definitive agreement for the investment in the Company pursuant to our Series D+ Pre-**[REDACTED]** Financing, the total value of investment of Efung Runjun without taking into account the then expected investments in our Company was approximately RMB136 million. As of December 31, 2025, the total value of investment of Efung Runjun was approximately RMB416 million, including its total investment in our Company.

Pre-[REDACTED] Investors	Background
	To the best of our Directors' knowledge, information and belief, the general partner and all the limited partners of Efung Runjun are independent third parties.
Jiangyin Keji Xincheng Investment Management Co., Ltd.* (江陰科技新城投資管理有限公司) ("**Jiangyin Keji**")	Jiangyin Keji is a limited liability company incorporated under the laws of the PRC and primarily engaged in investment activities, building construction and demolition. To the best of our Directors' knowledge, it was wholly owned by Jiangyin Future Industry Investment and Development Group Co., Ltd.* (江陰市未來產業投資發展集團有限公司) ("**Future Industry Investment**"), a state-owned entity[1] and an independent third party. To the best of our Directors' knowledge, all investment decisions of Jiangyin Keji are made by its board of directors in accordance with a structured framework, whereby potential investment projects are first initiated by Jiangyin Keji, and following preliminary review by the Party branch (黨支部) of Future Industry Investment, are then submitted to the project initiation committee for approval. Upon approval, due diligence is conducted, submitted to the investment decision committee of Future Industry Investment for review, and then reported to the board of directors of Future Industry Investment for final decision. Before the implementation of such investment project, it shall be reported to, filed with, or submitted for municipal-level review by the municipal Finance Bureau (State-owned Assets Supervision and Administration Office), depending on the amount.
Jiangsu Fiscal Investment Co., Ltd.* (江蘇金財投資有限公司) ("**Jiangsu Fiscal**")	Jiangsu Fiscal is a limited liability company incorporated under the laws of the PRC and primarily engaged in investment activities. To the best of our Directors' knowledge, it was wholly owned by Jiangsu Guojin Investment Group Co., Ltd.* (江蘇省國金投資集團有限公司) ("**Jiangsu Guojin Investment Group**"), a state-owned entity[2] and an independent third party. To the best of our Directors' knowledge, the investment decisions of Jiangsu Fiscal were initiated by internal review process, whereby potential projects were first screened and submitted to the office meeting of the general manager (總經理辦公會) for initial project establishment. Upon approval, due diligence is conducted to prepare comprehensive due diligence and feasibility reports, which are subsequently subject to a legal compliance review and pre-examination by Jiangsu Fiscal's general party branch committee (黨總支會議), before being submitted to the board of directors of Jiangsu Fiscal for final determination. Furthermore, such investment decisions are subject to reporting and approval procedures by Jiangsu Guojin Investment Group where applicable, as well as approval requirements from the Jiangsu Provincial Property Rights Exchange (江蘇省產權交易所) in relation to its equity investments.
Jiangyin Jiangyuan Investment Enterprise (Limited Partnership)* (江陰市江源投資企業(有限合夥)) ("**Jiangyin Jiangyuan**")	Jiangyin Jiangyuan is a limited partnership established under the laws of the PRC and primarily engaged in investment activities. To the best of our Directors' knowledge, Jiangyin Jiangyuan was managed by its sole executive and general partner, Ms. Zhou Mengke (周夢柯), who held 2.50% partnership interest in Jiangyin Jiangyuan. To the best of our Directors' knowledge, the remaining 97.50% partnership interest in Jiangyin Jiangyuan was held by 14 limited partners, including Mr. Liu Liang (劉梁) who held 21.00% partnership interest in Jiangyin Jiangyuan, Jiangyin Xinbeili Trading Co., Ltd.* (江陰市新倍力貿易有限公司) which held 10.25% partnership interest in Jiangyin Jiangyuan, Mr. Wang Guozhong (王國忠) who held 10.00% partnership interest in Jiangyin Jiangyuan, Jiangyin Venture Technology Investment Co., Ltd.* (江陰創業科技投資有限公司) who held 10.00% partnership interest in Jiangyin Jiangyuan, and 10 other limited partners who each held less than 10.00% partnership interest in Jiangyin Jiangyuan. To the best of our Directors' knowledge, information and belief, the general partner and all the limited partners of Jiangyin Jiangyuan are independent third parties.

1 Jiangyin Future Industry Investment and Development Group Co., Ltd.* (江陰市未來產業投資發展集團有限公司) is controlled by the State-owned Assets Supervision and Administration Office of Jiangyin Municipal People's Government (江陰市人民政府國有資產監督管理辦公室) (the "**Jiangyin SASAC**"), which also ultimately controls (i) Jiangyin Keji, the sole shareholder of Jiangyin Chengyuan, and (ii) Jiangyin Xinguolian Venture Capital Co., Ltd.* (江陰新國聯創業投資有限公司), the sole executive and general partner of Jiangyin Xinguolian.

2 Jiangsu Guojin Investment Group was ultimately controlled by the Department of Finance of Jiangsu (江蘇省財政廳).

Pre-[REDACTED] Investors	Background
Jiangyin Hengfeng Enterprise Management Partnership (Limited Partnership)* (江陰恒峰企業管理合夥企業(有限合夥)) ("**Jiangyin Hengfeng**")	Jiangyin Hengfeng is a limited partnership established under the laws of the PRC and primarily engaged in corporate management and consultation. To the best of our Directors' knowledge, Jiangyin Hengfeng was managed by its executive and general partner, Mr. Wu Xiaoyi (吳瀟逸), who held 50.00% partnership interest in Jiangyin Hengfeng. To the best of our Directors' knowledge, the remaining 50.00% partnership interest in Jiangyin Hengfeng was held by one limited partner, Mr. Chen Yao (陳垚). To the best of our Directors' knowledge, information and belief, the general partner and limited partner of Jiangyin Hengfeng are independent third parties.
Jiangsu Jiequan Taihu Guolian Emerging Growth Industry Investment Enterprise (Limited Partnership)* (江蘇聯泉太湖國聯新興成長產業投資企業(有限合夥)) ("**Jiangsu Jiequan**")	Jiangsu Jiequan is a limited partnership established under the laws of the PRC and primarily engaged in investment activities. To the best of our Directors' knowledge, Jiangsu Jiequan was managed by its executive and general partner, Wuxi Guolian Industrial Investment Private Equity Fund Management Co., Ltd.* (無錫國聯產業投資私募基金管理有限公司)[3] ("**Wuxi Guolian**"), who held 0.10% partnership interest in Jiangsu Jiequan. To the best of our Directors' knowledge, the remaining 99.90% partnership interest in Jiangsu Jiequan was held by 3 limited partners, including (i) Wuxi Guolian Financial Investment Group Co., Ltd.* (無錫國聯金融投資集團有限公司) which held 59.90% partnership interest in Jiangsu Jiequan, and is in turn wholly owned by Wuxi Guolian Development (Group) Co., Ltd.* (無錫市國聯發展(集團)有限公司), a state-owned entity, (ii) Wuxi Municipal Finance Bureau (無錫市財政局) which held 26.70% partnership interest in Jiangsu Jiequan, and (iii) Jiangsu Provincial Government Investment Fund (Limited Partnership)* (江蘇省政府投資基金(有限合夥)) which held 13.30% partnership interest in Jiangsu Jiequan. To the best of our Directors' knowledge, information and belief, the general partner and all the limited partners of Jiangsu Jiequan are independent third parties. To the best of our Directors' knowledge, all investment decisions of Jiangsu Jiequan are made through a process where the project team of Wuxi Guolian, which managed Jiangsu Jiequan, first completes its internal investment decision procedures and then submits the proposal to Jiangsu Jiequan's investment decision committee for review in accordance with its partnership agreement, with the decisions being executed upon approval.
Jiangyin Binjiang Chengyuan Investment Group Co., Ltd.* (江陰濱江澄源投資集團有限公司) ("**Jiangyin Chengyuan**")	Jiangyin Chengyuan is a limited liability company incorporated under the laws of the PRC and primarily engaged in investment activities, construction design and planning. To the best of our Directors' knowledge, it was wholly owned by Jiangyin Keji, which was ultimately controlled by Jiangyin SASAC and is itself an independent third party. To the best of our Directors' knowledge, all investment decisions of Jiangyin Chengyuan are made by its Board of Directors in accordance with a structured framework, whereby potential investment projects are first initiated by Jiangyin Chengyuan, and following preliminary review by the Party branch (黨支部) of Future Industry Investment, and then submitted to the project initiation committee of Future Industry Investment for approval. Upon approval, due diligence is conducted, submitted to the investment decision committee of Future Industry Investment for review, and then reported to the board of directors of Future Industry Investment for final decision. Before the implementation of such investment project, it shall be reported to, filed with, or submitted for municipal-level review by the municipal Finance Bureau (State-owned Assets Supervision and Administration Office), depending on the amount.

3 Wuxi Guolian Industrial Investment Private Equity Fund Management Co., Ltd.* (無錫國聯產業投資私募基金管理有限公司) is ultimately controlled by the State-owned Assets Supervision and Administration Commission of the Wuxi Municipal People's Government* (無錫市人民政府國有資產監督管理委員會) (the "**Wuxi SASAC**").

Pre-[REDACTED] Investors	Background
Shanghai Aoxu Enterprise Management Center (Limited Partnership)* (上海傲煦企業管理中心(有限合夥)) ("**Shanghai Aoxu**")	Shanghai Aoxu is a limited partnership established under the laws of the PRC and primarily engaged in investment activities. To the best of our Directors' knowledge, Shanghai Aoxu was managed by its executive and general partner, Mr. Zhu Jiawei (朱佳偉) who held 25.50% partnership interest in Shanghai Aoxu. To the best of our Directors' knowledge, the remaining 74.50% partnership interest in Shanghai Aoxu was held by 8 limited partners, including Mr. Zhu Yaoliang (朱耀良), who held 19.50% partnership interest in Shanghai Aoxu, Mr. Qin Dong (秦東), who held 18.50% partnership interest in Shanghai Aoxu, Mr. Wu Xiaodong (吳曉東), who held 11.00% partnership interest in Shanghai Aoxu, and 5 other limited partners who each held less than 10.00% partnership interest in Shanghai Aoxu. To the best of our Directors' knowledge, information and belief, the general partner and all the limited partners of Shanghai Aoxu are independent third parties.
Shanghai Tuyuan Enterprise Management Center (Limited Partnership)* (上海途苑企業管理中心(有限合夥)) ("**Shanghai Tuyuan**")	Shanghai Tuyuan is a limited partnership established under the laws of the PRC and primarily engaged in corporate management. To the best of our Directors' knowledge, Shanghai Tuyuan was managed by its executive and general partner, Ms. Zhu Aihua[4] (朱愛華), who held approximately 52.63% partnership interest in Shanghai Tuyuan. To the best of our Directors' knowledge, the remaining approximately 47.37% partnership interest in Shanghai Tuyuan was held by 10 limited partners, including Ms. Xu Zihe (徐子禾) who held approximately 18.42% partnership interest in Shanghai Tuyuan, and 9 other limited partners who each held less than 10.00% partnership interest in Shanghai Tuyuan. To the best of our Directors' knowledge, information and belief, the general partner and all the limited partners of Shanghai Tuyuan are independent third parties.
Wuxi Bianri Consulting Service Partnership (Limited Partnership)* (無錫辯日諮詢服務合夥企業(有限合夥)) ("**Wuxi Bianri**")	Wuxi Bianri is a limited partnership established under the laws of the PRC and primarily engaged in investment activities. To the best of our Directors' knowledge, Wuxi Bianri was managed by its executive and general partner, Mr. Zhang Weimin (張偉民), who held 25% partnership interest in Wuxi Bianri. To the best of our Directors' knowledge, the remaining 75% partnership interest in Wuxi Bianri was held by 3 limited partners, including Mr. Hua Xiaofeng (華曉峰) who held 25% partnership interest in Wuxi Bianri, Mr. Shen Guangping (沈廣平) who held 25% partnership interest in Wuxi Bianri, and Mr. Ji Wenyong (紀文勇) who held 25% partnership interest in Wuxi Bianri. To the best of our Directors' knowledge, information and belief, save for Mr. Shen Guangping, who was our former Director in the 12 months preceding the date of this Document, the general partner and all the limited partners of Wuxi Bianri are independent third parties.
Jiangyin Xinyue Management Consulting Partnership (Limited Partnership)* (江陰鑫躍管理諮詢合夥企業(有限合夥)) ("**Jiangyin Xinyue**")	Jiangyin Xinyue is a limited partnership established under the laws of the PRC and primarily engaged in corporate management consulting and corporate management. To the best of our Directors' knowledge, Jiangyin Xinyue was managed by its executive and general partner, Ms. Hu Zhen (胡珍), who held 50% partnership interest in Jiangyin Xinyue. To the best of our Directors' knowledge, the remaining 50% partnership interest in Jiangyin Xinyue was held by 4 limited partners, including Mr. Gu Danjun (顧丹君) who held 25% partnership interest in Jiangyin Xinyue, Shanghai Yangning Xizhou Enterprise Management Partnership (Limited Partnership)* (上海揚寧錫州企業管理合夥企業(有限合夥)) which held 15% partnership interest in Jiangyin Xinyue, Mr. Shen Yanbin* (沈炎彬) who held 5% partnership interest in Jiangyin Xinyue, and Mr. Cao Yi (曹藝) who held 5% partnership interest in Jiangyin Xinyue. To the best of our Directors' knowledge, information and belief, the general partner and all the limited partners of Jiangyin Xinyue are independent third parties.
Ms. Phyllis Ellen Hodges	Ms. Phyllis Ellen Hodges is a Canadian resident and an individual Pre-**[REDACTED]** Investor of our Company. She is the widow of the late Mr. Robert Stanley Hodges, a previous shareholder of our Company. To the best knowledge of our Directors, Ms. Phyllis Ellen Hodges is an independent third party.

4 Ms. ZHU Aihua (朱愛華) is also the controlling shareholder of Jiangyin Fengsheng.

Pre-[REDACTED] Investors	Background
Ms. Xu Zihe	Ms. Xu Zihe is a PRC resident and an individual Pre-**[REDACTED]** Investor of our Company. To the best knowledge of our Directors, Ms. Xu Zihe is an independent third party.
Hainan Xinguohong	Hainan Xinguohong is a limited liability company incorporated under the laws of the PRC and primarily engaged in investment activities. To the best of our Directors' knowledge, it was owned as to 50%, 40%, and 10% by Ms. Mai Xiaoyan (買曉燕), Mr. Chen Zhaoxin (陳照新), and Beijing China Travel Union Property Management Co., Ltd.* (北京中旅聯物業管理有限公司) ("**Beijing China Travel**") (which was in turn owned as to 99% by Mr. Chen Zhaoxin (陳照新)), respectively. To the best of our Director's knowledge, save for Mr. Chen Zhaoxin, who is the sibling of Dr. Chen, and Beijing China Travel (which is controlled by Mr. Chen Zhaoxin), the remaining shareholder of Hainan Xinguohong is an independent third party.
Jiangyin Fengsheng	Jiangyin Fengsheng is a limited liability company incorporated under the laws of the PRC and primarily engaged in the sales of new organic active materials. To the best of our Directors' knowledge, it was owned as to 90% and 10% by Ms. Zhu Aihua (朱愛華) and Mr. Feng Ze (豐澤), respectively. To the best of our Director's knowledge, all shareholders of Jiangyin Fengsheng are independent third parties.
Hainan Yizhilu	Hainan Yizhilu is a limited partnership established under the laws of the PRC and primarily engaged in research and development of drugs. To the best of our Directors' knowledge, Hainan Yizhilu was managed by its executive and general partner, Ms. Mu Sitong (穆思彤), who held approximately 95% partnership interest in Hainan Yizhilu. To the best of our Directors' knowledge, the remaining approximately 5% partnership interest in Hainan Yizhilu was held by one limited partner, Mr. Mu Libin (穆立彬). To the best of our Directors' knowledge, information and belief, the general partner and the limited partners of Hainan Yizhilu are independent third parties.
ULE Holdings	ULE Holdings is a non-profit organization established by the University of Colorado under the laws of the United States and operated for charitable, scientific, and educational purposes. According to its public filings, its mission is to help faculty, student, and staff entrepreneurs at the University of Colorado build successful companies from their research discoveries. To the best of our Directors' knowledge, it was a non-profit organization with no shareholders and an independent third party.
Jiangyin Xinguolian Equity Investment Fund (Limited Partnership)* (江陰新國聯股權投資基金(有限合夥)) ("**Jiangyin Xinguolian**")	Jiangyin Xinguolian is a limited partnership established under the laws of the PRC on December 2, 2021 and primarily engaged in investment activities. To the best of our Directors' knowledge, Jiangyin Xinguolian was managed by its executive and general partner, Jiangyin Xinguolian Venture Capital Co., Ltd.* (江陰新國聯創業投資有限公司), which held 1% partnership interest in Jiangyin Xinguolian. To the best of our Directors' knowledge, the remaining 99% partnership interest in Jiangyin Xinguolian was held by 12 limited partners, including (i) Jiangyin Financial Investment Co., Ltd.* (江陰市金融投資有限公司) who held 51% partnership interest in Jiangyin Xinguolian, and is in turn wholly owned by Jiangyin Xinguolian Group Co., Ltd.* (江陰市新國聯集團有限公司), a state-owned entity, (ii) Jiangyin Municipal Government Investment Fund (Limited Partnership)* (江陰市政府投資基金(有限合夥)) who held 30% partnership interest in Jiangyin Xinguolian, a state-owned entity, (iii) Jiangyin Thermal Power Co., Ltd.* (江陰熱電有限公司) who held 10% partnership interest in Jiangyin Xinguolian, and (iv) 9 other limited partners who each held less than 10.0% partnership interest in Jiangyin Xinguolian. To the best of our Directors' knowledge, information and belief, the general partner and all the limited partners of Jiangyin Xinguolian are independent third parties. To the best of our Directors' knowledge, all investment decisions of Jiangyin Xinguolian were made solely by its investment committee.

Pre-[REDACTED] Investors	Background
Chia Tai Pharmaceutical Investment (Beijing) Co., Ltd.* (正大製藥投資(北京)有限公司) ("**Chia Tai Pharmaceutical**")	Chia Tai Pharma is a limited liability company established under the laws of the PRC on January 29, 2010 and primarily engaged in investment activities. To the best of our Directors' knowledge, Chia Tai Pharma was wholly owned by Sino Biopharmaceutical Limited, a company listed on the Stock Exchange (Stock Code: 1177.HKEX). To the best of our Directors' knowledge, none of the shareholders of Sino Biopharmaceutical Limited has held more than 30% of its issued shares as of the Latest Practicable Date. To the best of our Directors' knowledge, information and belief, Sino Biopharmaceutical Limited is an independent third party. To the best of our Directors' knowledge, as of the Latest Practicable Date, Chia Tai Tianqing (a collaborator of our Company in respect of the commercialization of our core product PL-5 in Chinese Mainland, further details of which are disclosed in the section headed "Business — Exclusive Commercial Cooperation Agreement with Chia Tai Tianqing") was a subsidiary of Sino Biopharmaceutical Limited, therefore each of Chia Tai Pharmaceutical and Chia Tai Tianqing was ultimately controlled by Sino Biopharmaceutical Limited as of the Latest Practicable Date.
Shanghai Purui Yuanyong Enterprise Development Partnership (Limited Partnership)* (上海普睿圓融企業發展合夥企業(有限合夥)) ("**Shanghai Purui**")	Shanghai Purui is a limited partnership established under the laws of the PRC on October 20, 2022 and primarily engaged in corporate management consulting and corporate management. To the best of our Directors' knowledge, Shanghai Purui was managed by its executive and general partner, Mr. Hu Yuchun (胡玉春), which held approximately 47.50% partnership interest in Shanghai Purui. To the best of our Directors' knowledge, the remaining 52.50% partnership interest in Shanghai Purui was held by two limited partners, Mr. Huang Yuyu* (黃玉裕), who held 34.00% partnership interest in Shanghai Purui, and Mr. Li Zhaohong (李兆紅), who held 18.50% partnership interest in Shanghai Purui. To the best of our Directors' knowledge, information and belief, the general partner and all the limited partners of Shanghai Purui are independent third parties.
Zhuhai Huajin Lingshang Equity Investment Fund Partnership (Limited Partnership)* (珠海華金領尚股權投資基金合夥企業(有限合夥)) ("**Zhuhai Huajin**")	Zhuhai Huajin is a limited partnership established under the laws of the PRC on June 21, 2021 and primarily engaged in investment activities. To the best of our Directors' knowledge, Zhuhai Huajin was managed by its executive and general partner, Zhuhai Huajin Lingchuang Fund Management Co., Ltd.* (珠海華金領創基金管理有限公司), which held approximately 0.20% partnership interest in Zhuhai Huajin. To the best of our Directors' knowledge, the remaining 99.80% partnership interest in Zhuhai Huajin was held by one limited partner, Zhuhai Huajin Alpha No. 5 Equity Investment Fund Partnership (Limited Partnership)* (珠海華金阿爾法五號股權投資基金合夥企業(有限合夥)), and is in turn owned as to 99.95% and 0.05% by Zhuhai Huafa Technology Industry Group Co., Ltd.* (珠海華發科技產業集團有限公司), a state-owned entity, and Zhuhai Huaying Investment Co., Ltd.* (珠海鏵盈投資有限公司), also a state-owned entity, respectively. To the best of our Directors' knowledge, information and belief, the general partner and all the limited partners of Zhuhai Huajin are independent third parties.
Taizhou Jiaojiang Yingfei Hisun Income Generating Venture Investment Partnership (Limited Partnership)* (台州椒江英飛海正創收創業投資合夥企業(有限合夥)) ("**Taizhou Jiaojiang**")	Taizhou Jiaojiang is a limited partnership established in the PRC on December 12, 2021 and primarily engaged in private equity investment. To the best of our Directors' knowledge, Taizhou Jiaojiang was managed by its executive and general partner, Taizhou Yingfeichuang Venture Capital Co., Ltd.* (台州市英飛創收創業投資有限公司), which held 1% partnership interest in Taizhou Jiaojiang. To the best of our Directors' knowledge, the remaining 99% partnership interest in Taizhou Jiaojiang was held by 5 limited partners, including: (i) Infinity II (Zhuhai) Venture Capital Partnership (Limited Partnership)* (英飛尼迪貳號(珠海)創業投資合夥企業(有限合夥)) who held 25% partnership interest in Taizhou Jiaojiang, (ii) Taizhou City Investment Fengshou No. 1 Equity Investment Partnership (Limited Partnership)* (台州城投灃收一號股權投資合夥企業(有限合夥)) who held 25% partnership interest in Taizhou Jiaojiang, (iii) Taizhou Bay Sci-Tech Valley Investment Co., Ltd.* (台州灣科創谷投資有限公司) who held 24% partnership interest in Taizhou Jiaojiang, (iv) Zhejiang Hisun Pharmaceutical Co., Ltd.* (浙江海正藥業股份有限公司) who held 24% partnership interest in Taizhou Jiaojiang, and (v) Zhejiang Haizheng Investment Management Co., Ltd.* (浙江海正投資管理有限公司) who held 1% partnership interest in Taizhou Jiaojiang.

Pre-[REDACTED] Investors	Background
	To the best of our Directors' knowledge, information and belief, the general partner and all the limited partners of Taizhou Jiaojiang are independent third parties.
Hangzhou Tiger Equity Investment Partnership (Limited Partnership)* (杭州泰格股權投資合夥企業(有限合夥)) (**"Hangzhou Tiger"**)	Hangzhou Tigermed is a limited partnership established in the PRC, which primarily focuses on investment management. Hangzhou Tigermed is owned as to approximately 99.985% by its sole limited partner, Hangzhou Tigermed Consulting Co., Ltd. (杭州泰格醫藥科技股份有限公司) (the "**Tigermed Consulting**"), a company dual-listed on the Shenzhen Stock Exchange (stock code: 300347) and the Hong Kong Stock Exchange (stock code: 3347), and approximately 0.015% by its sole general partner, Shanghai Tigermed Technology Co., Ltd. (上海泰格醫藥科技有限公司), a company wholly owned by Tigermed Consulting. To the best of our Directors' knowledge, none of the shareholders of Tigermed Consulting has held more than 30% of its issued shares as of the Latest Practicable Date. To the best of our Directors' knowledge, information and belief, the general partner and all the limited partners of Hangzhou Tiger are independent third parties.
Guangzhou Xienuo Kanglai Venture Capital Fund Partnership (Limited Partnership)* (廣州謝諾康萊創業投資基金合夥企業(有限合夥)) ("**Guangzhou Xienuo**")	Guangzhou Xienuo is a limited partnership established in the PRC on June 13, 2025 and primarily engaged in investment activities. To the best of our Directors' knowledge, Guangzhou Xienuo was managed by its executive and general partner, Guangzhou Cherami Sun Tour Equity Investment Management Co., Ltd.* (廣州謝諾辰途股權投資管理有限公司) ("**Guangzhou Cherami**")[5], (which was in turn held as to 90% by Guangzhou Cherami Investment Group Co., Ltd.* (廣州謝諾投資集團有限公司) ("**Cherami Group**"), which was in turn ultimately controlled by Mr. Chen Ruibin (陳銳彬)), Guangzhou Cherami held 0.0093% partnership interest in Guangzhou Xienuo. To the best of our Directors' knowledge, the remaining 99.9907% partnership interest in Guangzhou Xienuo was held by 37 limited partners who each held less than 10.00% partnership interest in Guangzhou Xienuo. To the best of our Directors' knowledge, information and belief, the general partner and the limited partners of Guangzhou Xienuo are independent third parties.
Xiamen Xienuo Xinyuan Venture Capital Fund Partnership (Limited Partnership)* (廈門謝諾芯原創業投資基金合夥企業(有限合夥)) ("**Xiamen Xienuo**")	Xiamen Xienuo is a limited partnership established in the PRC on May 7, 2025 and primarily engaged in investment activities. To the best of our Directors' knowledge, Xiamen Xienuo was managed by its executive and general partner, Guangzhou Cherami, which was in turn held as to 90% by Cherami Group, which was in turn ultimately controlled by Mr. Chen Ruibin (陳銳彬). Guangzhou Cherami held 0.0112% partnership interest in Xiamen Xienuo. To the best of our Directors' knowledge, the remaining 99.9888% partnership interest in Xiamen Xienuo was held by (i) Xiamen Xienuo Core II Venture Capital Fund Partnership (Limited Partnership)* (廈門謝諾核心二號創業投資基金合夥企業(有限合夥)) which held approximately 12.16% partnership interest in Xiamen Xienuo, and (ii) 43 other limited partners who each held less than 10.00% partnership interest in Xiamen Xienuo. To the best of our Directors' knowledge, information and belief, the general partner and the limited partners of Xiamen Xienuo are independent third parties.
Qingdao Guoxin Science And Technology Industry Investment Fund Partnership (Limited Partnership)* (青島國信科技產業投資基金合夥企業(有限合夥)) ("**Guoxin S&T Fund**")	Guoxin S&T Fund is a limited partnership established in the PRC on December 8, 2022 and primarily engaged in investment activities. To the best of our Directors' knowledge, Guoxin S&T Fund was managed by its executive and general partner, Guoxin S&T Fund Innovation Equity Investment Management Co., Ltd.* (青島國信創新股權投資管理有限公司), which was ultimately controlled by the State-owned Assets Supervision and Administration Commission of the Qingdao Municipal People's Government (青島市人民政府國有資產監督管理委員會), and held 1% partnership interest in Guoxin S&T Fund. Guoxin S&T Fund was held by 2 limited partners, including: (i) Guoxin S&T Fund Financial Holdings Co., Ltd.* (青島國信金融控股有限公司) who held 79% partnership interest in Guoxin S&T Fund, and is in turn wholly owned by Guoxin S&T Fund Industrial Property Holding (Group) Co., Ltd.* (青島國信產融控股(集團)有限公司), a state-owned entity, and (ii) Shanghai Guotai Junan Innovation Equity Investment Fund of Funds Center (Limited Partnership)* (上海國泰君安創新股權投資母基金中心(有限合夥)) who held 20% partnership interest in Guoxin S&T Fund.

5 Guangzhou Cherami is also the executive and general partner of Xiamen Xienuo.

Pre-[REDACTED] Investors	Background
	To the best of our Directors' knowledge, information and belief, the general partner and all the limited partners of Guoxin S&T Fund are independent third parties.
Tianqi Group HK Co., Limited (**"Tianqi HK"**)	Tianqi HK is a limited liability company incorporated under the laws of Hong Kong on July 26, 2012 and is an investment platform of Chengdu Tianqi. To the best of our Directors' knowledge, Tianqi HK was wholly owned by Chengdu Tianqi. To the best of our Directors' knowledge, information and belief, Chengdu Tianqi is an independent third party and Tianqi HK is not related to Chia Tai Tianqing.

4. Sole Sponsor's confirmation

On the basis that (i) the respective consideration for the Pre-**[REDACTED]** Investments has been settled no less than 120 clear days before the **[REDACTED]**, and (ii) the divestment rights granted to the Pre-**[REDACTED]** Investors were terminated immediately prior to our first submission of the **[REDACTED]** application to the Stock Exchange and that all other special rights granted to the Pre-**[REDACTED]** Investors will be terminated upon the **[REDACTED]**, the Sole Sponsor confirms that the Pre-**[REDACTED]** Investments are in compliance with Chapter 4.2 of the Guide for New Listing Applicants.

5. PRC Legal Advisor's confirmation

As advised by our PRC Legal Advisors, the Pre-**[REDACTED]** Investments were conducted in compliance with the applicable PRC laws and regulations in all material respects.

SUBDIVISION OF SHARES

Pursuant to the Shareholders' resolutions dated January 31, 2026, our Shares will be subdivided on a one-for-two basis immediately prior to the **[REDACTED]**. Following the Share Subdivision, the nominal value of each Share will be changed from RMB1.00 to RMB0.50. As a result, the registered capital of our Company immediately prior to the **[REDACTED]** will be RMB51,533,475 comprising 103,066,950 Shares with a nominal value of RMB0.50 each.

[REDACTED] AND [REDACTED]

Rule 19A.13A of the Listing Rules requires that there must be an open market in the securities for which listing is sought. This will normally mean that for a class of securities new to listing, at least a minimum prescribed percentage of that class of securities must be held by the public at the time of listing. Where the expected market value of the class of securities at the time of listing does not exceed HK$6,000,000,000, at least 25.0% of the total issued share capital of our Company must at all times be held by the public.

Immediately upon completion of the **[REDACTED]** and the Conversion of Unlisted Shares into H Shares, and taking into account the Share Subdivision, and assuming that the **[REDACTED]** is not exercised, based on an **[REDACTED]** of (i) HK$**[REDACTED]**; (ii) HK$**[REDACTED]**, and (iii) HK$**[REDACTED]** per Share (being the low, mid, high end, respectively, of the indicative **[REDACTED]** range), our expected **[REDACTED]** upon the **[REDACTED]** is approximately HK$**[REDACTED]**, HK$**[REDACTED]**, and HK$**[REDACTED]**, respectively, and the minimum prescribed **[REDACTED]** percentage applicable to the H Shares at the time of the **[REDACTED]** for each of the said three circumstances is **[REDACTED]**% accordingly.

Immediately upon completion of the **[REDACTED]** and the Conversion of Unlisted Shares into H Shares, and taking into account the Share Subdivision, and assuming that the **[REDACTED]** is not exercised, a total of **[REDACTED]** H Shares, representing approximately **[REDACTED]**% of our total issued Shares upon **[REDACTED]**, will be held by our core connected persons, including (i) **[REDACTED]** H Shares, representing approximately **[REDACTED]**% of our total issued Shares upon **[REDACTED]**, to be held by Dr. Chen, who is our President, Chairman of the Board, chief executive officer and a substantial shareholder, (ii) **[REDACTED]** H Shares, representing approximately **[REDACTED]**% of our total issued Shares upon **[REDACTED]**, to be held by Jiangyin Puyuan, our Employee Incentive Platform with Dr. Chen being the executive and general partner thereof and (iii) an aggregate of **[REDACTED]** H Shares, representing approximately **[REDACTED]**% of the total issued Shares immediately upon completion of the **[REDACTED]**, to be collectively held by Jiangsu Jiequan, Jiangyin Chengyuan, Jiangyin Xinguolian, Jiangyin Keji, Jiangsu Fiscal, each of which are

governmental bodies of Jiangsu Province, will not be counted towards **[REDACTED]** of the Company(1). A total of **[REDACTED]** H Shares converted from the Unlisted Shares and will be held by our Shareholders who are not our core connected persons (nor are accustomed to take instructions from core connected persons of the Company in relation to the acquisition, disposal, voting or other disposition of their shares, and their acquisition of shares were not financed directly or indirectly by core connected persons of the Company) and the **[REDACTED]** H Shares to be issued pursuant to the **[REDACTED]** (assuming the **[REDACTED]** is not exercised) will count towards **[REDACTED]** of the Company, which represents approximately **[REDACTED]**% of our total issued Shares upon **[REDACTED]**. **[REDACTED]** of our Company immediately upon completion of the **[REDACTED]** and the Conversion of Unlisted Shares into H Shares (taking into account the Share Subdivision and assuming that the **[REDACTED]** is not exercised) is higher than the prescribed percentage of Shares required to be held in public hands under Rule 19A.13A(1) of the Listing Rules, thereby satisfying Rule 19A.13A(1) of the Listing Rules.

Pursuant to Rule 19A.13C(1) of the Listing Rules, there must be sufficient H shares where an applicant is a PRC issuer with no other listed shares at the time of listing, held by the public and available for trading upon listing. This would normally mean that the portion of the 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: (1) 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 (2) have an expected market value at the time of listing of not less than HK$600,000,000.

Based on the low-end of the **[REDACTED]** range of HK$**[REDACTED]** per Share, the Company's expected market value at the time of the **[REDACTED]** is less than HK$**[REDACTED]**. On the assumption that none of the **[REDACTED]** who participate in the **[REDACTED]** will be our core connected person, the details of our Shareholders upon the completion of the **[REDACTED]** and the **[REDACTED]** are set forth in the following table:

	Immediately upon Completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares (taking into account the Share Subdivision and assuming the [REDACTED] is not exercised)	
Shareholder	**Number of Shares (including H Shares and Unlisted Shares) Held**	**Approximate percentage of H Shares which will be included in the calculation of the Company's [REDACTED]**
Our President, Chairman of the Board, Chief Executive Officer and a substantial shareholder		
Dr. Chen	**[REDACTED]**	**[REDACTED]**
Other core connected persons		
• Jiangyin Puyuan	**[REDACTED]**	**[REDACTED]**
• Jiangsu Jiequan	**[REDACTED]**	**[REDACTED]**
• Jiangyin Chengyuan	**[REDACTED]**	**[REDACTED]**
• Jiangyin Xinguolian	**[REDACTED]**	**[REDACTED]**
• Jiangyin Keji	**[REDACTED]**	**[REDACTED]**
• Jiangsu Fiscal	**[REDACTED]**	**[REDACTED]**
Sub-total	**[REDACTED]**	**[REDACTED]**
Other Shareholders who are not our core connected persons (nor are accustomed to take instructions from core connected persons of the Company in relation to the acquisition, disposal, voting or other disposition of their shares, and their acquisition of shares were not financed directly or indirectly by core connected persons of the Company)	**[REDACTED]**	**[REDACTED]**
[REDACTED] participating in the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Total	**[REDACTED]**	[100%]

(1) Jiangyin Chengyuan, Jiangyin Xinguolian, and Jiangyin Keji are ultimately controlled by Jiangyin SASAC, while Jiangsu Jiequan is ultimately controlled by Wuxi SASAC. Jiangyin SASAC and Wuxi SASAC are both controlled by Jiangsu SASAC. Jiangsu Fiscal was ultimately controlled by the Department of Finance of Jiangsu (江蘇省財政廳).

Since at least **[REDACTED]** H shares (representing approximately **[REDACTED]**% of our total issued share capital immediately following completion of the **[REDACTED]** and Conversion of Unlisted Shares into H Shares, and taking into account the Share Subdivision and assuming the **[REDACTED]** is not exercised) will be held by **[REDACTED]** and not be subject to any lock-up, with an expected **[REDACTED]** of approximately HK$**[REDACTED]** at the time of **[REDACTED]** (calculated based on the low-end **[REDACTED]** of HK$**[REDACTED]**, and taking into account the Share Subdivision and assuming the **[REDACTED]** is not exercised), therefore, the Company is expected to satisfy the free float requirement under Rule 19A.13C(1)(a) of the Listing Rules, which requires that the portion of H Shares representing at least 10% of the total number of issued shares in the class to which H shares belong at the time of **[REDACTED]** (excluding treasury shares), with an expected market value at the time of **[REDACTED]** of not less than HK$50 million, be held by **[REDACTED]** and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise).

CAPITALIZATION OF OUR COMPANY

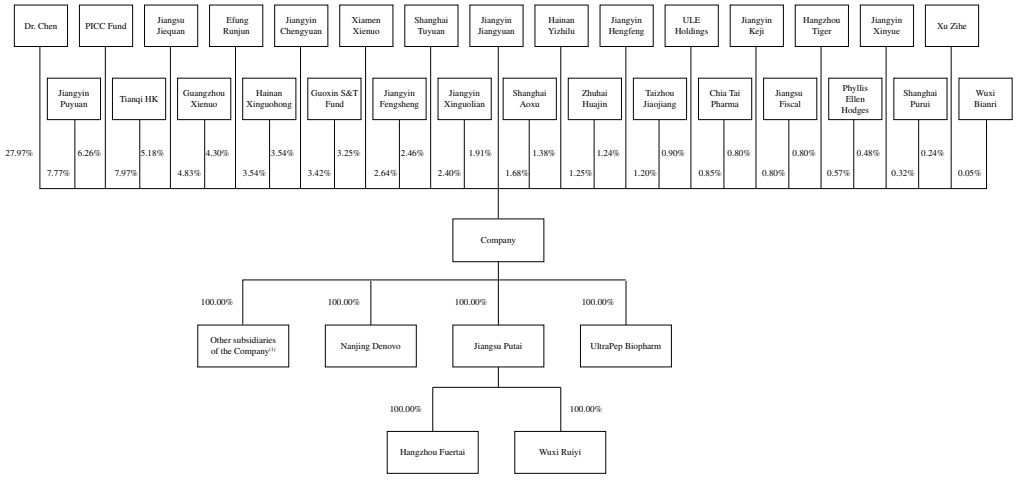
The table below sets out the capitalization of our Company as at the Latest Practicable Date and upon the completion of the **[REDACTED]** and Conversion of the Unlisted Shares into H Shares (taking into account the Share Subdivision and assuming the **[REDACTED]** is not exercised):

	As at the Latest Practicable Date		Immediately following the completion of the [REDACTED] and Conversion of the Unlisted Shares into H Shares (taking into account the Share Subdivision and assuming the [REDACTED] is not exercised)					
Shareholder	Number of Shares	Ownership percentage in total issued share capital	Number of H Shares	Ownership percentage in H Shares	Number of Unlisted Shares	Ownership percentage in Unlisted Shares	Total number of Shares	Ownership percentage in total issued share capital
Our Single Largest Group of Shareholders								
Dr. Chen	14,414,519	27.97%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Jiangyin Puyuan	4,004,003	7.77%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Sub-total	**18,418,522**	**35.74%**	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Our Core Connected Persons								
Jiangsu Jiequan	2,668,784	5.18%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Jiangyin Chengyuan	1,823,683	3.54%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Jiangyin Xinguolian	1,234,334	2.40%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Jiangyin Keji	412,881	0.80%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Jiangsu Fiscal	412,881	0.80%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Sub-total	**6,552,563**	**12.72%**	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Our Sophisticated Investor								
PICC Fund	3,226,100	6.26%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Efung Runjun	2,217,687	4.30%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Other Shareholders								
Guangzhou Xienuo	2,487,675	4.83%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Xiamen Xienuo	1,674,978	3.25%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Sub-total	**4,162,653**	**8.08%**	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Jiangyin Fengsheng	1,362,348	2.64%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Tuyuan	1,267,673	2.46%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Sub-total	**2,630,021**	**5.10%**	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Tianqi HK	4,109,606	7.97%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Hainan Xinguohong	1,826,101	3.54%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Guoxin S&T Fund	1,760,983	3.42%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Jiangyin Jiangyuan	983,045	1.91%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Aoxu	867,355	1.68%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Hainan Yizhilu	709,096	1.38%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Zhuhai Huajin	645,219	1.25%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Jiangyin Hengfeng	638,979	1.24%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Taizhou Jiaojiang	617,167	1.20%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
ULE Holdings	462,496	0.90%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Chia Tai Pharma	439,497	0.85%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Hangzhou Tiger	411,444	0.80%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Phyllis Ellen Hodges	292,275	0.57%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Jiangyin Xinyue	247,729	0.48%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Purui	165,152	0.32%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Xu Zihe	123,865	0.24%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

	As at the Latest Practicable Date		Immediately following the completion of the [REDACTED] and Conversion of the Unlisted Shares into H Shares (taking into account the Share Subdivision and assuming the [REDACTED] is not exercised)					
Shareholder	Number of Shares	Ownership percentage in total issued share capital	Number of H Shares	Ownership percentage in H Shares	Number of Unlisted Shares	Ownership percentage in Unlisted Shares	Total number of Shares	Ownership percentage in total issued share capital
Wuxi Bianri	25,920	0.05%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others								
Other [REDACTED] taking part in the [REDACTED]	—	—	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	**51,533,475**	**100%**	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

CORPORATE STRUCTURE IMMEDIATELY PRIOR TO THE [REDACTED]

Our corporate and shareholding structure immediately prior to the completion of the **[REDACTED]** is as follows:

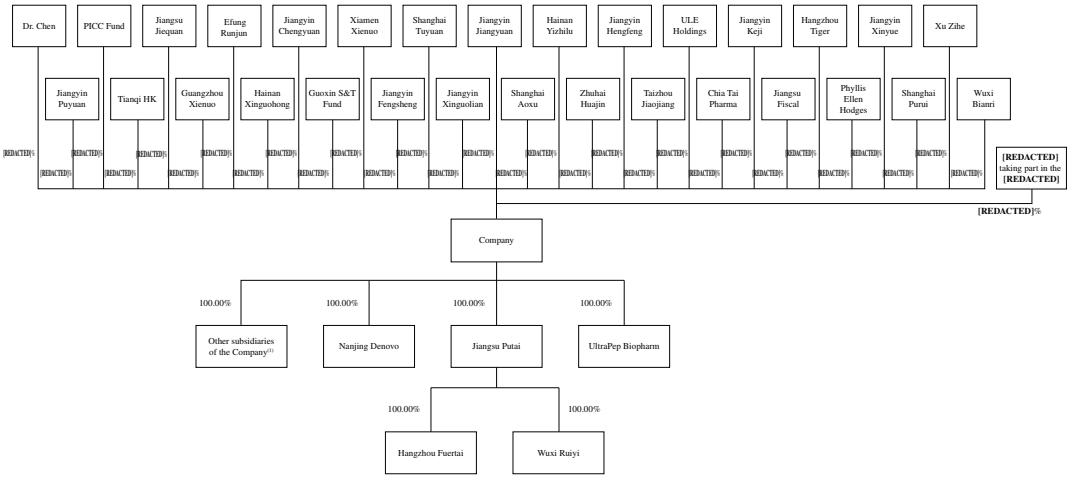


Note:

(1) For details of the other subsidiaries of our Company, please refer to note 1 to the Accountant's Report in Appendix I to this document.

CORPORATE STRUCTURE IMMEDIATELY AFTER THE [REDACTED]

Our corporate and shareholding structure immediately after the **[REDACTED]** is as follows:



OVERVIEW

We are an antimicrobial peptide ("**AMP**") therapeutics company. We focus on two core therapeutic areas, namely anti-infectives and metabolic diseases and are dedicated to addressing significant unmet global health needs through our proprietary breakthrough technologies and drug candidates.

Our Core Product, PL-5 (Peceleganan, 培來加南), received NDA approval in June 2026 for secondary infection of burn wounds, making it is the FIC Ganan-class drug globally that has received NDA approval, according to Frost & Sullivan. Leveraging the "Membrane Discrimination Mechanism," a theory our founder first co-proposed in 2006, PL-5 represents a novel mechanism of action, with peptide secondary structure folding to disrupt the integrity of microbial membranes, to address the challenges associated with antibiotic-resistance. With its key advantages of anti-resistance, broad-spectrum and high efficacy, PL-5 offers a breakthrough solution for treating multidrug-resistant infections, and we plan to pursue additional indications for secondary infections in other types of wounds through further clinical trials in China, such as the treatment of DFI, as well as the treatment and prevention of infections in wounds caused by physical trauma. It has been consecutively selected as the National Major Scientific and Technological Special Project for "Significant New Drugs Development" during the Twelfth and the Thirteenth Five-Year Plan Period (國家十二五、十三五"重大新藥創製"科技重大專項).

Our key product, PL-3301, is a thermosensitive peptide gel for the treatment of oropharyngeal candidiasis. Our another key product, PL-18, is an AMP drug for the treatment of vulvovaginal candidiasis ("**VVC**"), and may also have applications in treating a range of gynecological infections, including bacterial vaginitis, fungal vaginitis and mixed vaginitis. Both key products are also based on the "Membrane Discrimination Mechanism," aiming to fill clinical gaps in their respective treatment fields.

In addition to the aforementioned anti-infective drugs, we are actively expanding our pipeline into therapeutic areas including metabolic diseases, oncology, and autoimmune disorders, with multiple assets currently at the preclinical stage.

Our preclinical asset PL-MD-333 is an oral FGF19/FGF21 inducer and lipid metabolism modulator, according to Frost & Sullivan. Preclinical studies indicate that PL-MD-333 may reduce adiposity, increase the percentage of lean muscle mass, and demonstrate synergistic effects when used in combination with glucagon-like peptide-1 ("**GLP-1**") receptor agonists such as semaglutide, positioning it as a promising candidate with the potential to transform the treatment paradigm for metabolic diseases.

Area	Item	MoA/Target	Indication	Region	Dosage Form	Regulatory Authorities	Preclinical/ IND Enabling	Phase I	Phase II	Phase III or Pivotal	NDA	Sponsor	Source	Current Status/ Next Milestone[8]	Commercial Rights
Anti-infection	PL-5 Pecelegenan[1] ★	Membrane Discrimination Mechanism	Secondary infection of burn wounds	China	Spray	NMPA						The Group	Self-developed	NDA Approved in June 2026	正大天晴 CHIATAI TIANQING[2] Chinese Mainland (Chia Tai Tianqing) ex-Chinese Mainland (the Group)
			IWGDF Grade II diabetic foot infection	US	Spray	FDA[3]						The Group	Self-developed	Phase II initiated in January 2024; To complete Phase II by September 2028	
	PL-3301 ☆	Membrane Discrimination Mechanism	Oropharyngeal candidiasis infection	China	Thermo-sensitive gel	NMPA						The Group	Self-developed	To initiate Phase II by September 2026	To be developed independently
				US		FDA						The Group	Self-developed	IND Approval in June 2024[4]	To be licensed-out
			Pulmonary infection	China/US	Inhalant	NMPA/FDA						The Group	Self-developed	To submit IND by December 2027	To be developed independently
	PL-18 ☆	Membrane Discrimination Mechanism	Vulvovaginal candidiasis	China	Suppository → Gel[5]	NMPA						The Group	Self-developed	Phase Ib/II for suppository completed in October 2025; To initiate Phase II for gel by March 2027, subject to regulatory review of our supplementary submission	To be developed independently
				US	Suppository	FDA						The Group	Self-developed	Phase II Approval in October 2024[6]	To be licensed-out
Metabolism	PL-MD-333[7]	FGF19/FGF21 (small molecule; peptidomimetic)	Obesity	China/US	Capsule	NMPA/FDA						The Group	Self-developed	To submit IND by March 2027	To be developed independently in Chinese Mainland, to be licensed-out in ex-Chinese Mainland

Note: ★ Core Product ☆ Key Product Directly to Phase II clinical trial

IWGDF refers to the International Working Group on the Diabetic Foot; MASH refers to metabolic dysfunction-associated steatohepatitis; NMPA refers to the National Medical Products Administration of the PRC; FDA refers to the U.S. Food and Drug Administration; FGF19/FGF21 refers to fibroblast growth factor 19 and fibroblast growth factor 21; PARP-1 refers to poly(ADP-ribose) polymerase 1.

(1) All of our candidate products were independently developed by us, and with respect to the Core Product, PL-5, the University of Colorado licensed to us only the patent rights relating to the underlying compound formula, rather than transferring a complete drug asset. Our founder, Dr. Chen, is one of the principal inventors of the underlying antimicrobial peptide molecule of PL-5, which was developed based on the results of his postdoctoral research project. The transformation from a compound formula into a candidate drug asset primarily depended on our independently completed druggability development, process optimization, preclinical studies, and subsequent clinical development. The University of Colorado and the other co-inventors were not involved in this process. Accordingly, it would not be appropriate to regard PL-5 as a drug asset acquired through a typical in-licensing or acquisition arrangement. For further details, see "Business — Our Collaborations and Licensing Arrangements — Licensing arrangements with the University of Colorado."

(2) In December 2022, we entered into an exclusive commercial cooperation agreement with Chia Tai Tianqing regarding the rights and interests of PL-5 in Chinese Mainland. For further details, please see "Business — Our Collaborations and Licensing Arrangements — Exclusive Commercial Cooperation Agreement with Chia Tai Tianqing."

(3) In March 2022, after reviewing the data generated from our Phase I and Phase II clinical trials conducted in China, together with other relevant submission materials, the FDA raised no objection to PL-5 proceeding directly to a Phase II clinical trial. The FDA's no-objection position was based on its review of the relevant clinical data and other submission materials, and was not subject to any preconditions that we were required to satisfy before commencing the Phase II clinical trial.

(4) In June 2024, we received an approval from the FDA authorizing us to initiate a Phase I clinical trial for PL-3301.

(5) Based on the results of the Phase Ib/II clinical trial, a twice-daily dosing regimen is planned for the subsequent clinical development of PL-18. However, the excipient levels in the suppository formulation are not suitable for twice-daily administration. Animal efficacy studies demonstrated that twice-daily administration of PL-18 gel showed antifungal efficacy comparable to that of the positive control. Accordingly, the formulation is proposed to be changed from a suppository to a gel to support twice-daily administration. For further details regarding the clinical trial results and our communications with the CDE, please see "— Summary of Clinical Trial Results" and "— Material Communications with Competent Authorities," respectively, under "Business — Our Products and Pipeline — PL-18 (α-Helical Antimicrobial Peptide), Our Key Product."

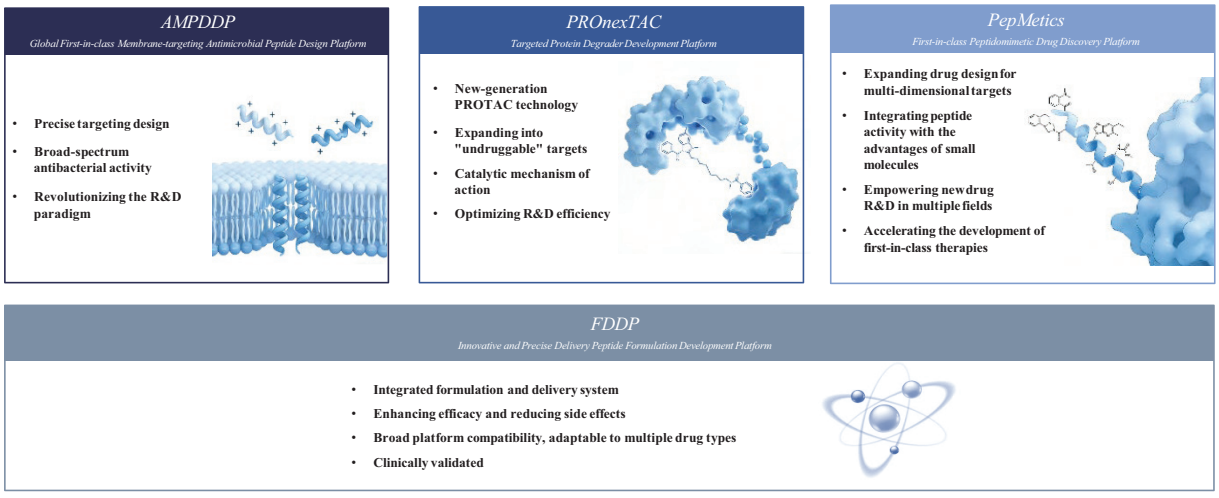
(6) In October 2024, after reviewing the data generated from our Phase I clinical trials conducted in China and Australia, together with other relevant submission materials, the FDA raised no objection to PL-18 proceeding directly to a Phase II clinical trial. The FDA's no-objection position was based on its review of the relevant clinical data and other submission materials, and was not subject to any preconditions that were required to satisfy before commencing the Phase II clinical trial.

(7) All product candidates shown in this pipeline chart are currently under development as monotherapies, except for PL-MD-333, which has also shown the potential for combination treatment with semaglutide.

(8) "Clinical trial completion" generally refers to the date on which the last subject completes the final protocol-specified visit or procedure in the relevant clinical trial, commonly understood as last patient out, last subject last visit or last participant last visit, with reference to ClinicalTrials.gov, the ICH E3 guideline and ChiCTR clinical trial registration practice.

Currently, our product pipeline is progressing steadily. PL-5 has received NDA approval as a Class 1 innovative drug from the NMPA in June 2026, and we are in the process of conducting a Phase II clinical trial for PL-5 in the U.S., PL-3301 and PL-18 are now in clinical development, while multiple preclinical assets are advancing under their respective development plans. Moving forward, we will remain committed to focusing on core technology upgrades and clinical translation of our pipeline. We will continue to deepen our presence in the global peptide therapeutics field through differentiated strategy, aiming to provide more clinically meaningful treatment solutions for patients worldwide.

To facilitate our drug discovery, we have established four technology platforms that significantly support our research and development ("**R&D**"): the membrane-targeting mechanism-based antimicrobial peptide *de novo* design platform ("**AMPDDP**"), the PROTAC-based targeted protein degrader discovery platform ("**PROnexTAC**"), the novel mechanism-based peptidomimetic discovery and development platform ("**PepMetics**"), and the innovative peptide formulation diversified development and precision delivery platform ("**FDDP**"). These platforms underpin our differentiated product pipeline, characterized by high technological barriers and outstanding clinical value. It enables the development of multiple potential first-in-class products designed to overcome limitations of traditional therapies.



OUR COMPETITIVE STRENGTHS

Multiple peptide-based therapeutics in the field of anti-infective therapy

Our core product PL-5 is a FIC Ganan-class anti-infective drug

Our core product PL-5 is a novel-mechanism anti-infective AMP drug, with the molecular name "Peceleganan." According to Frost & Sullivan, PL-5 is the FIC Ganan-class drug globally that has received NDA approval, according to Frost & Sullivan. and it represents a novel mechanism of action to address the challenges associated with antibiotic-resistance. The novelty of our Core Product primarily lies in its peptide molecular design, which gives rise to its distinctive molecular property of being inducible into an α-helical structure.

We have completed Phase III clinical trials for PL-5 targeting secondary wound infection in China, and applied for NDA approval from the NMPA as a Class 1 new drug in December 2024. We received the NDA approval in June 2026, making it a FIC Ganan-class anti-infective drug. In the meantime, we are conducting a Phase II clinical trial in the U.S. for the treatment of diabetic foot infections classified as International Working Group on the Diabetic Foot Grade II ("**IWGDF Grade II**"), which is expected to be finalized by the third quarter of 2028.

Compared with conventional antibiotics, AMPs offer three core advantages: (i) activity against antibiotic-resistant bacteria with a low risk of inducible resistance, as PL-5 showed *in vitro* antibacterial activity against multiple antibiotic-resistant pathogens listed in the World Health Organization's Bacterial Priority Pathogens List (2024 update), including *Acinetobacter baumannii*, *Pseudomonas aeruginosa* and *Staphylococcus aureus*, and, based on its cell membrane-targeting mechanism and our resistance induction studies, PL-5's MIC remained generally stable upon repeated exposure; (ii)

broad-spectrum antibacterial activity, as PL-5 adopts a "Membrane Discrimination Mechanism" and has shown inhibitory and bactericidal activity against a broad range of clinically isolated strains across multiple Gram-positive and Gram-negative bacterial species in both preclinical *in vitro* studies and our Phase III clinical trials; and (iii) high effectiveness, as the published literature reports that AMPs can achieve rapid bacterial killing, and PL-5's activity against antibiotic-resistant bacteria and broad spectrum may reduce reliance on bacterial culture and antimicrobial susceptibility testing before initiating therapy.

Secondary Wound Infections

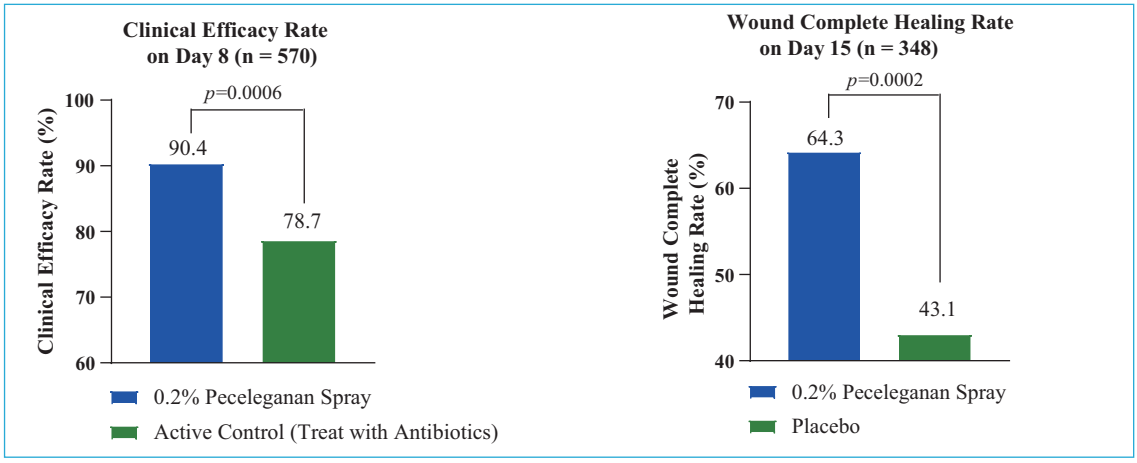
According to Frost & Sullivan, the incidence number of secondary wound infections worldwide and in China was 79.4 million and 18.9 million in 2025, respectively. According to the same source, the market size for the secondary wound infection drug market in 2025 is USD12.2 billion worldwide and USD0.9 billion in China. The worldwide market size for the secondary wound infection drug is expected to grow to USD14.1 billion in 2030 at a CAGR of 3.0% from 2025 to 2030, and the China market size for the secondary wound infection drug is expected to grow to USD1.1 billion in 2030 at a CAGR of 4.1% from 2025 to 2030, according to Frost & Sullivan.

Despite the significant disease burden, current market lacks effective treatment options. Specifically, with the widespread use of antimicrobials, the issue of pathogen resistance is becoming increasingly severe, with many causative bacteria having developed multidrug resistance to traditional antibiotics. WHO considers antimicrobial resistance to be one of the top global public health threats in the 21st century. Furthermore, according to Frost & Sullivan, clinical treatment typically necessitates prior bacterial identification, which may lead to delays in intervention. In the meantime, non-pharmacological wound care therapies such as dressings, nitric oxide gas therapy, and negative pressure wound therapy have demonstrated limited efficacy in certain patient populations. Consequently, a significant number of patients have to undergo surgical debridement, and in severe cases, they may face an increased risk of limb amputation.

In our clinical trials in China, PL-5 has demonstrated an encouraging efficacy and safety profile for the treatment of secondary wound infections, showing activity against a broad range of multidrug-resistant pathogens. Clinical data indicate that PL-5 can achieve complete eradication of drug-resistant bacteria in certain cases, including *Pseudomonas aeruginosa*, *Acinetobacter baumannii*, Methicillin-resistant *Staphylococcus aureus* ("**MRSA**") and multidrug-resistant *Acinetobacter baumannii* carrying the NDM-1 gene, all of which are among the most clinically challenging drug-resistant pathogens worldwide according to WHO.

The following diagram shows the clinical efficacy of PL-5:

Clinical Efficacy



Phase IIIa Clinical Trial(1) **Phase IIIb Clinical Trial(2)**

Notes:

(1) Clinical efficacy rate on Day 8, the primary endpoint of the Phase IIIa clinical trial, 0.2% Peceleganan spray in the treatment group as compared with the active control drug silver sulfadiazine ("**SSD**") cream, an antibiotic.

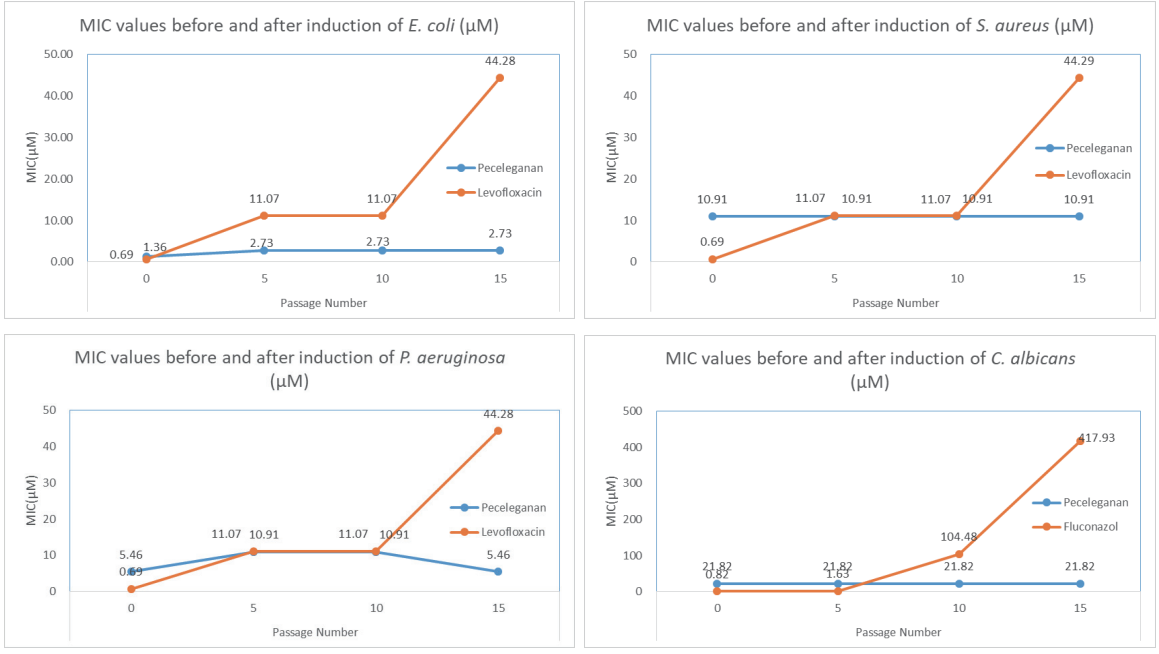
(2) Wound complete healing rate on Day 15, the primary endpoint of the Phase IIIb clinical trial, 0.2% Peceleganan spray in the treatment group as compared with the placebo control.

Superiority over active control (Phase IIIa). The 0.2% Peceleganan Spray achieved a clinical efficacy rate of 90.4% on Day 8, demonstrating a statistically significant advantage over the 78.7% of the active control group (p = 0.0006).

Accelerated healing versus placebo (Phase IIIb). On Day 15, the wound complete healing rate for the treatment group reached 64.3%, significantly higher than the 43.1% observed in the placebo group (p = 0.0002), confirming the product's ability to effectively promote wound closure.

Favorable Safety Profile. PL-5 has also demonstrated a favorable safety profile. The safety data for the PL-5 were comparable to that of the placebo, with a low incidence of adverse events. Furthermore, given that PL-5 exhibits broad-spectrum and rapid antimicrobial activity, it may reduce the need for bacterial identification testing prior to use.

Based on the "Membrane Discrimination Mechanism" co-proposed by our founder, Dr. Chen Yuxin in 2006, PL-5 exhibits activity against a broad range of bacteria. It primarily interacts with bacterial cell membranes, leading to rapid disruption of membrane integrity. In addition, the development of resistance to membrane-active peptides, such as PL-5, whose sole target is the cytoplasmic membrane, is not expected, because this would require substantial changes in the lipid composition of cell membranes of microorganisms. In our preclinical studies, under serial passage induction conditions (i.e., repeated exposure designed to induce resistance), the minimum inhibition concentration ("**MIC**") of PL-5 remained generally stable against bacteria (*E. coli*, *S. aureus* and *P. aeruginosa*; and fungi (*C. albicans*). In contrast, the MIC of the antibiotics increased to approximately 44.28~44.29 μM for levofloxacin (bacteria) and 417.93 μM for fluconazole (fungi), suggesting a low risk of resistance induction for PL-5 in this *in vitro* model. In antibiotic resistance induction experiments, bacteria developed a 64-fold increase in resistance against levofloxacin and the fungus developed an approximately 502-fold increase in resistance against fluconazole. However, bacteria and fungus exhibit almost no resistance against PL-5. The following figure shows the resistance induction tests:



In light of the favorable clinical trial results demonstrated by PL-5 as compared to antibiotics, we believe PL-5 is well positioned to address the clinical needs and capture market opportunities.

Diabetic Foot Infections

Among chronic wound infections, diabetic foot infections pose particularly serious clinical risks. According to Frost & Sullivan, diabetes-related complications result in a lower-limb amputation approximately every 20 seconds worldwide. At this moment, millions of patients with diabetes suffer from foot ulcers that are difficult to heal. According to Frost & Sullivan, the number of patients

suffering from diabetic foot infections in 2025 was as high as 32.5 million globally. The market size for the diabetic foot infection drug market in 2025 is USD3.1 billion globally and is expected to grow to USD3.4 billion by 2030, according to Frost & Sullivan.

We are advancing a Phase II clinical trial for PL-5 for the treatment of diabetic foot infections in the U.S., further expanding its indication scope. As a critical scenario for severe wound infections, diabetic foot presents high amputation risks and limited existing treatment options. This clinical trial is designed to specifically address the clinical challenges of diabetic foot infections, broaden the clinical application scenarios for PL-5, cover a wider range of unmet treatment needs, and enhance the product's market value and clinical impact. In 2022, the U.S. Food and Drug Administration ("**FDA**") approved our Phase II clinical trial of PL-5 in the U.S., following its review of the existing clinical data from China, without requiring a prior Phase I study. As of the Latest Practicable Date, the Phase II trial was ongoing with planned enrollment of 90 subjects and expected completion in the third quarter of 2028.

In addition, in the Phase IIIa clinical trial for the treatment of secondary wound infections conducted in China, there were 19 patients with diabetic foot infections enrolled. In the analysis for clinical efficacy of these 19 patients, the treatment group demonstrated superior clinical efficacy compared to the positive control group treated with SSD. Based on the full analysis set ("**FAS**"), the clinical response rate on Day 8 was 94.1% (16/17) for the treatment group, in contrast to 0.0% (0/2) for the positive control group. This difference was statistically significant (p = 0.0175).

PL-5 utilizes a spray formulation that can directly reach deep wound sites, overcoming the limitation of traditional ointments in covering wound crevices. This spray formulation, when combined with medicated saturated gauze dressings, allows rapid penetration into deep wound areas where bacterial proliferation occurs, thus improving bactericidal efficiency. Simultaneously, it avoids the scraping procedure required during traditional ointment dressing changes, reducing secondary injury and patient pain, significantly enhancing patient compliance, and aligning with practical clinical treatment needs.

We have entered into exclusive commercial cooperation agreement for the commercialization of PL-5 with Chia Tai Tianqing in December 2022. During the collaboration, we have granted Chia Tai Tianqing exclusive rights to promote PL-5 and conduct other commercialization activities in the Chinese mainland for all indications approved by the relevant authorities. The collaboration with Chia Tai Tianqing aims to leverage its mature commercialization infrastructure in the Chinese mainland to accelerate the early-stage commercialization of our Core Product, PL-5, while also providing financial support for our ongoing global R&D and daily operations related to the product. We will continue to be responsible for PL-5's R&D, global clinical trials, and regulatory strategy. We also retain the commercialization rights outside the Chinese mainland during the collaboration.

Our key product, PL-3301, is a potential first-in-class thermosensitive gel formulation developed for the treatment of oropharyngeal candidiasis

Our key product, PL-3301, is an innovative antifungal drug candidate with a novel mechanism of action. It is an α-helical antimicrobial peptide-based therapeutic and a potential first-in-class thermosensitive gel formulation specifically designed for treating oropharyngeal candidiasis. We developed PL-3301 in-house and hold independent global intellectual property rights relating to it. We are currently advancing clinical trials for PL-3301 targeting the oropharyngeal candidiasis ("**OPC**") indication. Currently, we have completed a Phase Ia clinical trial and a Phase Ib clinical trial for PL-3301 in China, and we have been granted an approval from the FDA for a Phase I clinical trial in the U.S. in 2024. All these clinical trials in China and the U.S. are for the treatment of OPC.

OPC is a highly prevalent infectious disease among immunocompromised populations. According to Frost & Sullivan, in China, the number of cases of OPC reached approximately 81.7 million in 2025 and are most commonly observed in high-risk groups such as cancer patients undergoing radiotherapy or chemotherapy, HIV/AIDS patients, and the frail elderly population. Specifically, patients with severe OPC may experience extensive oral mucosal erosion, ulceration, and severe pain, rendering them unable to eat or swallow normally and, in extreme cases, requiring nasogastric feeding for nutritional support. Current clinical treatments face significant bottlenecks: Existing antifungal drugs are increasingly affected by drug resistance, leading to diminishing clinical efficacy; oral administration is prone to

saliva wash-out, resulting in short drug retention time on mucosal lesions and necessitating frequent dosing to maintain effective concentrations; and some drugs are associated with side effects, making them unsuitable for use in severely immunocompromised patients.

PL-3301's mechanism of action targets the fungal cell membrane, offering potent fungicidal activity with a low propensity for inducing resistance. Preclinical data demonstrate that PL-3301 exhibits highly effective antifungal activity against *Candida albicans*, achieving fungal killing rates of over 90% in relevant animal models. Unlike conventional antifungal agents that rely on interference with fungal metabolic enzymes, PL-3301 acts by disrupting the integrity of the fungal cell membrane. This mechanism of action fundamentally reduces the likelihood of resistance development, effectively addressing the key clinical limitation of resistance associated with traditional antifungal therapies.

PL-3301 is a potential first-in-class peptide-based thermosensitive gel formulation, optimally designed for oral mucosal administration. The formulation is liquid at room temperature but rapidly transforms into gel upon contact with the oral mucosa at physiological temperatures of 30–35°C. Following administration, it adheres firmly to the infected site, enabling sustained drug release for up to 24 hours. This formulation is designed to solve the industry-wide challenge of rapid drug wash-out in traditional oral topical therapies. By enabling prolonged mucosal retention and sustained exposure, PL-3301 is intended to reduce the need for frequent dosing. Moreover, the gel formulation is gentle in texture and non-irritating to damaged mucosa, significantly improving patient compliance and aligning perfectly with the practical clinical needs for treating oral infections in immunocompromised populations.

PL-3301 has the potential to be further developed across additional mucosal candidiasis indications, enriching its prospective clinical application scenarios. In addition to its current focus on OPC, we may explore the development of PL-3301 for other candidiasis indications, such as esophageal candidiasis and cutaneous candidiasis, as well as other mucosal candidiasis. This strategy aims to address the unmet needs across different infection sites and patient populations, continuously enhancing PL-3301's clinical value and market reach.

In particular, we are advancing the preclinical development of PL-3301 for a pulmonary infection indication, and plan to submit an IND application for this indication by December 2027.

Our key product, PL-18, is a potential first-in-class therapeutic designed to treat mixed gynecological bacterial and fungal infections

Our key product, PL-18, is an innovative anti-infective drug candidate with a novel mechanism of action. It is an α-helical AMP-based therapeutic, for which we hold global intellectual property rights. Preclinical data indicates that PL-18 shows broad activity across multiple gynecological infection models, including bacterial vaginitis, VVC, and mixed vaginitis. Currently, we are advancing clinical trials for PL-18 for the treatment of VVC. As of the Latest Practicable Date, we have completed a Phase I clinical trial in Australia and a Phase I and a Phase Ib/II clinical trial in China to evaluate PL-18 administered as a vaginal suppository. We have obtained approval from the FDA to conduct a Phase II clinical trial in the U.S..

Gynecological infections are a common disease among women. In China, the prevalence of VVC reached approximately 80.0 million in 2025 with a persistently high recurrence rate, according to Frost & Sullivan. Existing clinical treatment options are subject to significant limitations. Gynecological infections are often polymicrobial in nature, involving both bacterial and fungal pathogens. However, existing antibacterial therapies are effective only against bacterial pathogens, while antifungal agents only target fungal infections. As a result, the treatment of mixed infections typically requires combination therapy. This not only increases the patient's medication burden and risk of adverse reactions, but also easily induces the development of drug-resistant strains. Furthermore, traditional topical formulations often cause significant irritation, leading to poor patient compliance and resulting in limited treatment.

PL-18 is designed to exhibit both antibacterial and antifungal activity, to address the unmet medical need associated with the treatment of mixed infections. As a single-agent therapeutic, PL-18 differs from the compound formulations commonly used in current clinical practice for mixed bacterial and fungal infections. Our preclinical data indicate that PL-18 has demonstrated effective eradication activity against a range of common gynecological bacterial and fungal pathogens. By enabling the

treatment of mixed infections with a single therapeutic agent, PL-18 is designed to reduce the need for combination therapy and to address a key clinical limitation associated with existing treatment approaches.

PL-18 currently utilizes a peptide suppository formulation tailored for localized gynecological treatment, and we are also conducting preclinical studies on a gel formulation of PL-18. Both formulations are intended to be gentle and non-irritating, allowing for direct action at the site of infection and enabling precise drug delivery with sustained release. This convenient administration method eliminates the need for concomitant medications, significantly reducing treatment complexity and psychological burden for patients, thereby improving treatment compliance and aligning well with the practical clinical requirements for the management of gynecological infections.

A differentiated product pipeline across multiple therapeutic areas with significant clinical needs, aiming to overcome the limitations of traditional therapies

Metabolism and Autoimmunity Product Candidate PL-MD-333

PL-MD-333 is a novel mimetic peptide drug candidate designed to combine the functional characteristics of peptides with certain advantages of small-molecule therapeutics, and is a potential first-in-class FGF19/FGF21 oral metabolic regulator for the treatment of obesity, according to Frost & Sullivan.

According to Frost & Sullivan, in China, obesity affected over 655.4 million adult patients in 2025. Existing clinical treatments face significant limitations: In the treatment of obesity, GLP-1-based therapies are primarily administered via injection and may be associated with adverse effects such as appetite suppression, muscle loss, depression, and potential cancer risks, and often lead to a weight-loss plateau.

Based on its differentiated mechanism of action, PL-MD-333 is designed to address certain limitations associated with existing therapeutic approaches. Preclinical data indicate that PL-MD-333 acts via multi-target mechanisms. In obesity models, it achieves fat loss while increasing muscle mass, without inducing appetite suppression-related side effects. In addition, when evaluated in combination with semaglutide, PL-MD-333 demonstrated synergistic effects in preclinical studies, including the potential to mitigate weight-loss plateaus observed with GLP-1–based therapies.

PL-MD-333's oral formulation is ideal for long-term treatment. The oral dosage form offers high convenience, eliminating the need for injections and significantly improving patient compliance. This profile aligns perfectly with the practical needs of long-term treatment for metabolic and chronic inflammatory diseases.

Independently developed core technology platforms, enhancing innovation competitiveness, empowering advancements across diverse therapeutic fields

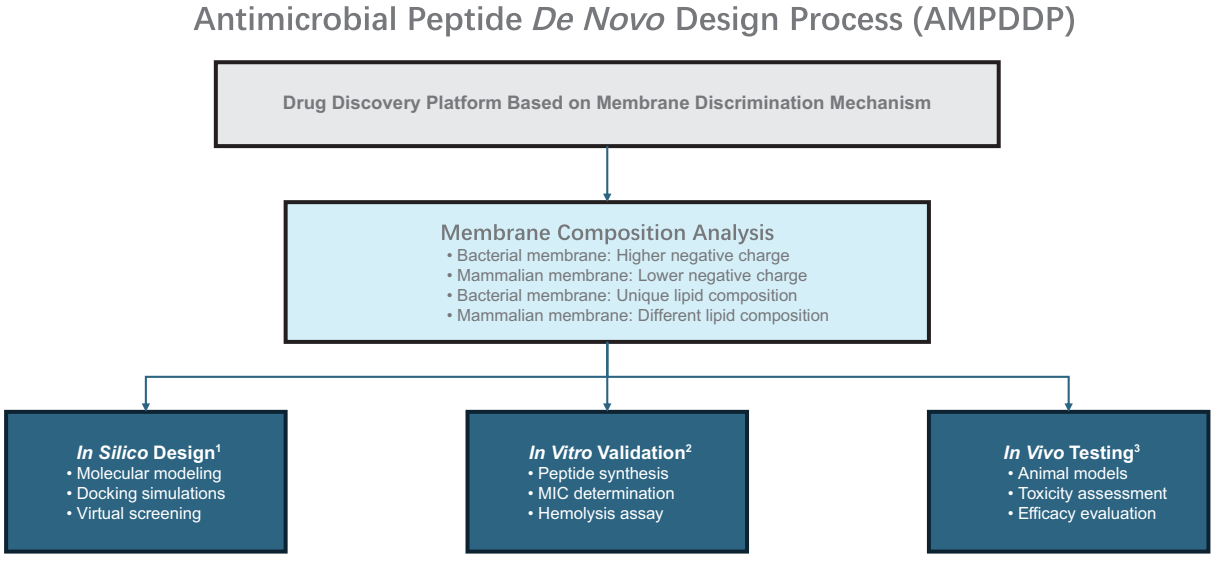
We have developed four technology platforms to support the discovery, optimization and formulation development of our drug candidates. We initially developed AMPDDP as our antimicrobial peptide discovery and development platform for the rational design and optimization of peptide candidates. Building on our experience in peptide research, we subsequently developed PepMetics to extend our technological capabilities from natural amino acid-based peptides to peptide mimetics as part of our molecular design strategy. As our research further advanced into metabolic and autoimmune therapeutic areas, we identified the applicability of PROTAC technology, which enables the use of peptides as targeting moieties for the conjugation of small molecules, and accordingly established PROnexTAC to support research and development in such therapeutic areas. We also established FDDP as our formulation development platform, which could further support the formulation development of drug candidates derived from these discovery platforms.

The AMPDDP

Among these platforms, AMPDDP serves as our discovery, design and molecular optimization platform for peptide candidates, and is primarily relevant to our Core Product, PL-5, and our key products, PL-18 and PL-3301. PL-5, PL-18 and PL-3301 were designed and optimized based on our continued research into the structural characteristics of antimicrobial peptides, Membrane

Discrimination Mechanism and structure-activity relationships. Their molecular design logic and screening methods reflect the technical capabilities of AMPDDP in antimicrobial peptide sequence generation, rational modification, activity evaluation and lead compound screening.

Since microbial cell membranes and human cell membranes have different surface characteristics, including charge and lipid composition, we design and screen peptide molecules that are intended to attach to and disrupt microbial membranes while minimizing damage to human cells. The following workflow illustrates how the underlying technologies are applied in the design, validation and testing process.



Notes:

1. In the design stage, we use molecular modeling to construct and analyze the structures of AMPs and cell membranes. Docking simulations are generally used to predict how peptides with different amino acid sequences may bind to and insert into bacterial membranes. Virtual screening is generally used to compare a large number of peptide sequences based on parameters, such as hydrophobicity, amphipathicity, helicity, charge and predicted membrane-binding ability. Based on the screening results, we select peptide sequences for synthesis and validation.
2. In the *in vitro* validation stage, the selected peptides are produced through peptide synthesis. We conduct minimum inhibitory concentration ("**MIC**") tests to determine the lowest concentration at which each peptide inhibits the growth of the relevant microorganism. We also conduct hemolysis assays to assess whether the peptide damages human cells. The results of the antibacterial and hemolysis tests are considered together to identify peptides that potentially demonstrate antibacterial activity at concentrations below those associated with material damage to human cells.
3. In the *in vivo* testing stage, the selected peptides are evaluated in animal infection models. We assess whether treatment reduces the relevant microbial burden and improves other disease-related indicators. Candidates demonstrating the desired efficacy and safety profile are selected for further preclinical development.

In particular, the AMPDDP stands out in the field of AMP development due to its efficiency and precision. Peptides designed using the platform have demonstrated low minimum inhibitory concentrations in preclinical studies against multidrug-resistant pathogens, such as *Acinetobacter baumannii*, *Staphylococcus aureus* and *Candida albicans*, with activity that is often comparable to or better than that of conventional antibiotics. It combines *de novo* design and membrane biology to deliver safe, effective solutions against infectious diseases. This platform not only accelerates our R&D efforts but also our efforts to address the growing global challenge of antimicrobial resistance.

The PROnexTAC

The PROnexTAC is an innovative computational and experimental framework developed by us to advance targeted protein degradation therapeutics. As an upgraded protein degrader platform based on traditional PROTAC technology, the PROnexTAC integrates advanced AI-driven design, high-throughput screening, and mechanistic insights to engineer bifunctional degraders that induce selective degradation of disease-associated proteins through the ubiquitin-proteasome system. In simple terms, instead of merely blocking a disease-related protein, this platform is designed to create molecules that help the body's own protein disposal system recognize and remove such protein. This platform addresses limitations in conventional drug discovery by enabling the degradation of previously "undruggable" targets, such as those lacking enzymatic pockets, offering a transformative approach to

treating cancers, neurodegenerative diseases, autoimmune disorders, and other conditions driven by aberrant protein activity. PROnexTAC supports the discovery and optimization of targeted protein degraders, particularly for disease-related proteins that may be difficult to address using conventional small-molecule inhibitors. It contributes to target selection, molecular design, activity screening and lead optimization for degrader candidates.

The PROnexTAC employs a modular, end-to-end workflow to streamline degrader development. The PROnexTAC excels in efficiency, versatility, and therapeutic potential, setting it apart from traditional small-molecule inhibitors. Unlike traditional inhibitors, which typically require sustained target occupancy to maintain therapeutic effect, degraders developed by our PROnexTAC are intended to function through a catalytic mode of action, whereby a single degrader molecule can induce the degradation of multiple target proteins via the ubiquitin-proteasome system. Based on preclinical observations, this mechanism may enable prolonged pharmacological activity at relatively low concentrations (often nanomolar to picomolar ranges), potentially reducing off-target effects and resistance risks. By focusing on degradation rather than inhibition, it unlocks new avenues for treating complex diseases, bringing us to innovate at the forefront of biomolecular engineering.

The PepMetics

The PepMetics is developed by us to support the identification of therapeutic candidates that address complex biological mechanisms, including protein–protein interactions ("**PPIs**") that are traditionally considered challenging for conventional small-molecule approaches, according to Frost & Sullivan. Peptidomimetics are small molecules designed to mimic certain useful features of peptides, while aiming to improve properties such as oral administration, stability and manufacturability. This platform helps us borrow the biological "shape" or function of peptides and turn it into drug-like small molecules. By enabling the design of small-molecule compounds that mimic the structural and functional attributes of peptides, the PepMetics is designed to bridge certain limitations between traditional small-molecule drugs and biologics. This platform facilitates the modulation of multiple disease-relevant targets across a range of therapeutic areas, including metabolic diseases, cancer, neurodegenerative disorders, and autoimmune conditions. By expediting the discovery and refinement of lead compounds, the PepMetics is designed to support the advancement of differentiated and potentially first-in-class therapeutic candidates.

Our PepMetics stands out for its innovative approach to overcoming limitations in conventional drug discovery, delivering superior efficiency and therapeutic potential. PepMetics is aiming to support the design and optimization of peptidomimetic compounds, including candidates intended to act on challenging biological targets or protein interactions. It is expected to facilitate to molecular design, synthetic route optimization, activity screening and improvement of drug-like properties. This platform embodies our dedication to pioneering peptidomimetic therapeutics, empowering the discovery of novel drugs that tackle complex biological challenges, and driving advancements in treating intractable diseases. It primarily supports the discovery and development of our PL-MD-333.

The FDDP

The FDDP is an integrated formulation and delivery system pioneered by us to support the development of pharmaceutical products, particularly peptide-based therapeutics. In simple terms, after a drug molecule is identified, FDDP helps us decide how the medicine should be made and delivered to the disease site, for example as thermosensitive oral gel, suppository, gel, inhalant or oral formulation. The platform uses formulation screening, excipient selection, stability testing, delivery-system design, process development and quality-control methods. By combining diversified formulation approaches with precision delivery technologies, the FDDP addresses key challenges in drug development, such as limited bioavailability, off-target exposure, and inter-patient variability. The FDDP leverages nanotechnology and biomaterials science to facilitate the design of customized drug delivery systems intended to enhance therapeutic performance while mitigating potential side effects. The FDDP supports a wide range of modalities, including peptides and small molecules, and is designed to enable efficient progression from formulation concept to clinical-ready drug candidates.

FDDP helps convert active drug molecules into practical dosage forms suitable for clinical use. It supports formulation optimization, drug stability, local retention at the intended treatment site, sustained release, patient convenience and manufacturability. It is particularly important for peptide drugs, which may be unstable or difficult to deliver without appropriate formulation design. The FDDP

helps us overcome key technical challenges of formulation, such as the inherent instability of peptide molecules and the requirement to maintain a random coil structure to exert bactericidal activity. Through systematic screening and optimization, we develop formulations that preserve peptide stability and enhance activity. Leveraging the FDDP, we can also design specialized dosage forms tailored to the intended route of administration for specific indications, such as thermosensitive oral gels based on oral physiological conditions, which not only maintain peptide stability but also prolong oral residence time, thereby maximizing therapeutic efficacy.

Leveraging the FDDP, we have successfully advanced three differentiated peptide drug candidates, PL-5, PL-3301 and PL-18, into clinical development. This achievement demonstrates our fully integrated capabilities across the peptide drug development value chain, from target identification and molecule optimization to formulation development, and lays a solid foundation for subsequent clinical translation and pipeline expansion.

Overall, through these platforms, we are able to integrate drug discovery, molecular optimization, formulation development and preclinical evaluation within our in-house R&D system. For our AMP product candidates, AMPDDP supports the design and selection of antimicrobial peptide molecules, while FDDP helps translate such molecules into dosage forms suitable for administration at infected sites. We have continuously refined and optimized this integrated workflow alongside the research and development of PL5, PL18 and PL3301. For our other product candidates, PepMetrics supports the discovery and optimization of peptidomimetic candidates such as PL-MD-333, PROnexTAC supports the discovery and optimization of targeted protein degrader product candidates, and the FDDP facilitates the development of these products into suitable dosage forms for their respective routes of administration.

Advanced production capabilities enabling efficient transition from innovation to commercialization

We have advanced formulation production capabilities. We are in the process of expanding into active pharmaceutical ingredient ("**API**") production and are planning on building our own API manufacturing facility in order to establish our fully integrated production capabilities. This system provides core support for the rapid translation of multiple potential first-in-class therapeutics, overcoming the industrial bottlenecks traditionally associated with the complex synthesis and specialized formulation of peptide drugs, according to Frost & Sullivan.

Established production technology for peptide APIs

Through our involvement in overseeing and guiding contract development and manufacturing organizations ("**CDMOs**") in the production of peptide APIs, we have accumulated extensive practical experience in peptide API manufacturing, including process optimization, quality control and scale-up management. We are in the course of developing our core manufacturing capabilities for peptide drug APIs and will build our own peptide drug API manufacturing facility in the near future. The manufacturing capabilities for peptide drug APIs will enable us to tackle large-scale production challenges in peptide synthesis and ensure a stable supply of materials ranging from research samples to commercial-grade material. Our robust quality control system features standardized procedures for critical parameters, including impurity profiling and purity enhancement, to ensure that our peptide APIs meet applicable quality standards.

Industry-leading capabilities in specialized dosage form manufacturing

We have established our own global GMP-compliant manufacturing facilities in Jiangyin, Wuxi City (the "**Jiangyin Facility**"). For the specialized dosage forms in our pipeline, such as sprays, suppositories, and thermosensitive gels, we have built dedicated industrialization capabilities. These enable deep integration between formulation design and production processes. As of the Latest Practicable Date, our current manufacturing facilities for PL-5 have an annual capacity of 36 million bottles with reserved space to immediately double output. We have more than 2,300 sq.m. of cleanrooms equipped with advanced HVAC and purification systems, as well as an approximately 5,000 sq.m. warehouse featuring dedicated cold storage for peptide products to ensure supply chain integrity. We have overcome key technical hurdles in manufacturing these complex dosage forms, ensuring consistency between clinical performance and large-scale production to meet practical clinical application requirements.

Parallel API and formulation development accelerating commercialization

We employ a highly efficient development model that advances API process optimization and dosage form industrialization research in parallel, in order to shorten the translation timeline from clinical development to commercialization. Our production system strictly adheres to all relevant compliance standards and incorporates a quality traceability framework that is in compliance with regulatory submission requirements, laying a solid foundation for product registration and commercial launch.

Management Team with Rich Industry Experience and Specialized Scientific Expertise

Since our inception, leveraging our fully integrated in-house innovation capabilities, we have rapidly advanced our product pipeline on an accelerated basis, with multiple drug candidates progressing from program initiation into clinical development within a relatively short timeframe. Concurrently, several potential first-in-class programs have entered clinical evaluation on a global basis.

We attribute this progress to the strategic leadership of our core executive team. Members of our management team possess deep expertise across multiple critical areas, such as underlying platform technology R&D, molecular design, and clinical operations. Their complementary proficiencies in R&D innovation, clinical execution, and corporate management enable us to set clear strategies that drive efficient technological iteration and pipeline advancement, and ensure alignment with clinical needs and applicable regulatory and compliance standards. Collectively, these capabilities constitute a key foundation supporting our rapid growth.

Our founder, chairman of the Board, executive Director, and chief executive officer, Dr. Chen Yuxin, possesses 30 years of experience in polypeptide drug research and development. During his tenure at the University of Colorado School of Medicine in the U.S., he co-developed the PL-5 AMP molecule and secured the related patent together with Dr. Robert Hodges, who was a Fellow of the Royal Society of Canada, former Chairman of the American Peptide Society, and recipient of the Bruce Merrifield Award for Lifetime Achievement in Peptide Research. In 2006, they together proposed the "Membrane Discrimination Mechanism," which gained international recognition. As of the Latest Practicable Date, Dr. Chen has led the R&D of multiple innovative drugs that have entered clinical trial stages in China and/or the U.S., published over 60 scientific papers indexed by the Science Citation Index, and authorized or filed for more than 30 patents for drug molecules and formulations. Dr. Chen also has extensive experience in academia and industry organizations. He obtained a doctor of philosophy in biochemistry from the faculty of medicine, University of Alberta and conducted postdoctoral research in the department of biochemistry and molecular genetics at the University of Colorado. He served as a professor, doctoral supervisor, and academic leader at the Key Laboratory of Molecular Enzymology Engineering of the Ministry of Education at Jilin University for over 11 years and has served as a council member of the Peptide Branch of the Chinese Biochemical Pharmaceutical Association.

Dr. Zhu Xu, our vice president, is responsible for the overall management of the R&D of our product candidates. He is a seasoned pharmaceutical research executive with extensive international experience. Holding a Ph.D. from the University of Toronto, he spent nine years at Pfizer in the U.S.. He later served as the vice president of R&D at Axter Therapeutics in Beijing before joining us in 2023. Dr. Zhu brings with him over a decade of deep scientific expertise and leadership in drug discovery and development.

Our management team also includes other senior members who oversee functions including clinical science, regulatory affairs, commercialization, clinical operations, quality assurance, biostatistics, chemistry, manufacturing and controls ("**CMC**"), and project management, with extensive expertise in their respective areas.

OUR STRATEGIES

Accelerate global clinical advancement and commercialization of core pipeline

We will place significant strategic focus and resources on the rapid commercialization and clinical advancement of our lead assets. Our immediate priority is to finalize the regulatory and commercial preparations for the launch of PL-5 in China, ensuring a strong market entry. In tandem, we will aggressively drive the clinical development programs for PL-3301 and PL-18, aiming to achieve key

trial milestones and generate robust datasets that reinforce their therapeutic value and potential. This concentrated effort on our most advanced programs is designed to create near-term value and establish a solid foundation in our core market.

To build a global footprint, we are executing a dual-path strategy for international development. We will proactively advance our overseas clinical trials to generate data that meets international regulatory standards. We plan to use **[REDACTED]** of approximately HK$**[REDACTED]** from the **[REDACTED]** to fund our Phase II and Phase III clinical trials of PL-5 in the U.S. For details, please see "Future Plans and Use of **[REDACTED]**." Simultaneously, we will actively pursue strategic licensing out and collaboration opportunities with established global pharmaceutical partners. These partnerships are intended to provide critical regional expertise, co-development capabilities, and commercial infrastructure, thereby de-risking and accelerating the path to market access and patient reach across North America, Europe, and other key international territories.

Our commitment to long-term growth is underpinned by the steady progression of our preclinical pipeline. We are dedicating targeted resources to advance our most promising early-stage candidates toward clinical testing. A key near-term objective is the successful filing of an IND application for PL-MD-333. This involves meticulously completing all requisite preclinical studies, manufacturing process development, and regulatory documentation to ensure a compelling and compliant submission, thereby transitioning this promising asset into the clinical phase of development.

We recognize that compelling scientific data is fundamental to establishing credibility and driving adoption. We have a proactive plan to communicate the differentiated profile of our core products to the global scientific and medical community. This will involve strategically presenting key findings — particularly those highlighting unique advantages like a lack of observed drug resistance and synergistic efficacy — at leading international medical congresses and through publication in high-impact, peer-reviewed journals. This targeted communication strategy is essential to shape medical discourse, enhance our scientific reputation, and ultimately strengthen the market positioning of our innovative therapies.

We are also progressively building our commercialization capabilities to accelerate market entry, strengthen channel control, and optimize value realization across the product lifecycle. We plan to build our in-house sales and marketing team, and carry out various product commercialization and marketing network development activities, such as participating in academic forums and hosting academic conferences. We plan to invest RMB**[REDACTED]** in our commercialization and marketing network development, approximately HK$**[REDACTED]** of which will from the **[REDACTED]** of the **[REDACTED]**. For details, please see "Future Plans and Use of **[REDACTED]**."

Deepen Technology Platform Iteration and Enrich Pipeline Portfolio

We will continue to refine our core technology by advancing the application of the "Membrane Discrimination Mechanism" in broader therapeutic contexts. By enhancing the precision and efficacy of AMPs in targeting specific bacterial membranes, we aim to extend their use beyond localized infections to systemic applications. This optimization will support the development of next-generation peptide-based therapies for severe systemic infections, addressing unmet medical needs while minimizing off-target effects and resistance development.

Building on our established platform, we are committed to improving our peptidomimetic molecular design capabilities to expand our pipeline in metabolic and autoimmune diseases. Through iterative design to combine the advantages of peptides and small molecules, we will generate novel candidate molecules with enhanced stability, bioavailability, and target specificity. This effort is geared toward identifying and advancing drug candidates into preclinical and clinical development, with the goal of delivering innovative treatments for complex chronic conditions.

We are strategically exploring new therapeutic areas and novel targets by leveraging our existing technology platforms. This includes investigating synergistic combinations of AMPs with other treatment modalities to enhance efficacy and overcome resistance. Additionally, we are expanding the application of PROTAC technology into oncology and autoimmune indications, aiming to develop targeted protein degradation strategies that offer new mechanisms of action and improved therapeutic outcomes in this challenging disease area.

Complete Full Production Chain Integration and Strengthen Manufacturing Capabilities

We plan to commence construction of the API facility in the fourth quarter of 2026, with a phased completion schedule spanning until 2028. The facility is designed to meet stringent international GMP standards, with built-in flexibility for future capacity expansion.

The facility will target an annual production capacity sufficient to support our own commercial products while also meeting the needs of CDMO, our potential clients. This **[REDACTED]** will achieve full vertical integration for peptide synthesis, reducing dependency on third-party suppliers and improving our overall cost structure. We will develop a dedicated CDMO business unit to serve global biotech and pharmaceutical companies requiring specialty peptide manufacturing, positioning the Taizhou facility as a preferred partner for complex peptide APIs through competitive pricing and superior quality control.

We will upgrade the Jiangyin Facility with additional filling lines and enhanced quality control systems while concurrently developing proprietary formulation expertise in peptide sprays to ensure stability, consistent dosing, and patient acceptability. We will also perfect our thermosensitive gel process technology for targeted delivery applications, significantly improving patient compliance. Additionally, we will implement robust supply chain risk management strategies, including redundant sourcing and inventory optimization. By establishing quality-by-design frameworks, we will ensure batch-to-batch consistency and maintain strict regulatory compliance. Our objective is to achieve commercial-scale production capacity ahead of anticipated product launches to prevent supply constraints, while developing flexible manufacturing capabilities that can accommodate multiple product formulations and package configurations.

Deepen Global Strategic Partnerships and Maximize Commercial Value

We will proactively pursue strategic license-out agreements for PL-5 and PL-18 in key international markets. In parallel, we aim to establish a global co-development partnership with leading global pharmaceutical companies for PL-MD-333 to jointly advance its clinical development and commercialization worldwide. These efforts are designed to maximize the commercial potential of our pipeline through external expertise, shared resources, and accelerated global market penetration.

Domestically, we will strengthen collaborative synergies by working closely with Chia Tai Tianqing to jointly advance PL-5's inclusion in China's national reimbursement drug list and drive its scientific and medical promotion. We will also explore potential commercialization partnership models for follow-up assets, including PL-18 and PL-3301. Additionally, through collaboration with leading clinical key opinion leaders, we will actively support the inclusion of our products in clinical treatment guidelines, enhancing their adoption and positioning in the standard of care.

Furthermore, we may identify strategic investment and acquisition opportunities globally with a view to achieving synergies, broadening our product pipeline, enhancing the clinical value of our products and solidifying our market positioning. We may prudently conduct horizontal and vertical expansion along the AMP industry value chain to enhance our competitiveness and technological capabilities. We plan to use the **[REDACTED]** of approximately HK$**[REDACTED]** from the **[REDACTED]** for potential strategic acquisitions, investment or collaboration which are in line with our growth strategies. For details, please see "Future Plans and Use of **[REDACTED]**." As of the Latest Practicable Date, we have not identified any specific acquisition or investment target, nor have we entered into any agreements, letters of intent, commitments or understandings with respect to any such transactions.

OUR PRODUCTS AND PIPELINES

Our Pharmaceutical Product Pipelines

Our pipeline mainly comprises (i) three clinical-stage candidates, including (a) PL-5, our Core Product, an α-helical antimicrobial peptide spray for the treatment of secondary wound infection and DFI, (b) PL-3301, an α-helical antimicrobial peptide oral thermosensitive gel and inhalant for the treatment of OPC and pulmonary infection and (c) PL-18, an α-helical antimicrobial peptide suppository and gel for the treatment of VVC, and (ii) one selected preclinical candidate, namely PL-MD-333, an oral small molecule FGF19/FGF21 inducer and lipid metabolism modulator for the treatment of obesity.

PL-5 (Peceleganan, α-Helical Antimicrobial Peptide), Our Core Product

Overview

PL-5 (Peceleganan Spray) is an α-helical antimicrobial peptide ("**AMP**") spray for the treatment of secondary wound infection and diabetic foot infections. The molecular name of the active ingredient is Peceleganan, which is the first Ganan-class anti-infective drug in China to receive a WHO International Nonproprietary Name ("**INN**"), and it is the only approved Ganan-class anti-infective drug globally as of the Latest Practicable Date, according to Frost & Sullivan. The Peceleganan Spray is a non-antibiotic antibacterial agent with a unique bactericidal mechanism, "Membrane Discrimination Mechanism" (膜區分機理), which targets the bacterial and fungal cell membranes. Based on our preclinical and clinical studies, PL-5 shows a broad antimicrobial spectrum and demonstrates strong bactericidal advantages against various drug-resistant bacteria, such as Methicillin-resistant *Staphylococcus aureus* ("**MRSA**") and multidrug-resistant *Acinetobacter baumannii* carrying the NDM-1 gene. This antimicrobial peptide molecule was designed through our proprietary R&D platform, and we possess its global intellectual property rights.

The novelty of our Core Product primarily lies in its peptide molecular design, which gives rise to its distinctive molecular property of being inducible into an α-helical structure. The novelty of our Core Product does not solely refer to the disruption of microbial membranes by antimicrobial peptides.

As of the Latest Practicable Date, we have received the NDA approval in China, and a Phase II clinical trial in the U.S. is ongoing. According to Frost & Sullivan, this marks global first Ganan-class antimicrobial peptide innovative drug to receive NDA approval. We plan to commercially launch our PL-5 in China in the fourth quarter of 2026 and conduct a post market evaluation within five years of the commercialization of PL-5 in China to fulfill our statutory obligations under the Drug Administration Law. In the U.S., we are currently conducting a Phase II clinical trial and expect to finalize the trial by the third quarter of 2028, subject to the progress of the trial.

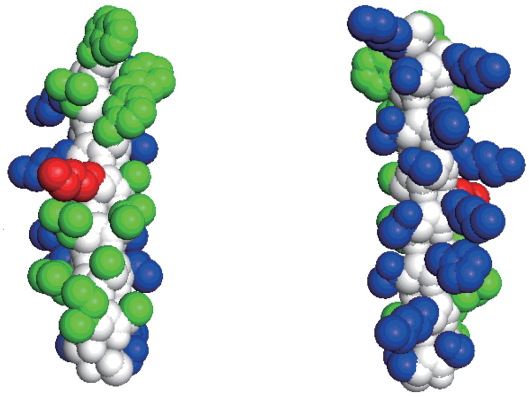
We have entered into exclusive commercial cooperation agreement with Chia Tai Tianqing to leverage its industry expertise and established distribution channels to better unleash the commercialization potential of PL-5. For details of such collaboration, see " — Our Collaborations And Licensing Arrangements — Exclusive Commercial Cooperation Agreement with Chia Tai Tianqing."

The period between the IND approval and the NDA approval of PL-5 is primarily due to the time required to complete Phase I to Phase III clinical trials, related pharmaceutical studies, regulatory communications and the NDA review process. According to Frost & Sullivan, given the complexity of antibacterial drug development, including relatively stringent eligibility criteria, recruitment challenges, complex efficacy and microbiological assessments, and required safety follow-up, it is not unusual for innovative antibacterial drugs in China to take about ten years from IND approval to NDA approval. During the interval between the IND approval and the NDA submission, the Company did not encounter any clinical hold, regulatory objection or litigation, and conducted the clinical trials on a back-to-back basis while ensuring trial quality. Based on the above, as advised by Frost & Sullivan, our Directors are of the view that, and the Sole Sponsor concurs, the overall development timeline is generally in line with industry norms. In addition, the period between the NDA submission in December 2024 and the NDA approval in June 2026 was approximately 18 months. According to Frost & Sullivan, based on its industry research, the typical period from NDA submission to NDA approval for comparable innovative drug products in China generally ranges from 14 months to 20 months. As such, the actual approval timeline of PL-5 falls within such typical range and is in line with the industry norm.

Drug Design and Mechanism of Action

Antimicrobial peptides (AMPs) are a class of naturally occurring antimicrobial molecules that form part of the innate defense systems across eukaryotes, bacteria and archaea, and they are produced by ribosomal or non-ribosomal pathways. AMPs exhibit direct and potent antimicrobial activity against a wide range of pathogens, including Gram-negative and Gram-positive bacteria, fungi and viruses, through different mechanisms of action. Among AMPs, "Ganan-class" antimicrobial peptide drugs are identified by the WHO INN as acting through an anti-infective mechanism that increases membrane permeability. This antibacterial mechanism not only confers potent board-spectrum antimicrobial activity but also remains active against drug-resistant bacteria, and the development of resistance to membrane active peptides is not expected. Building on the established structural principles of "Ganan-class" antimicrobial peptides, PL-5 was designed to adopt an amphipathic α-helical

conformation with a full hydrophobic face and a hydrophilic face, meaning that one side of the molecule is attracted to the lipid of bacterial membranes while the other side is attracted to water, as shown in the figure below.

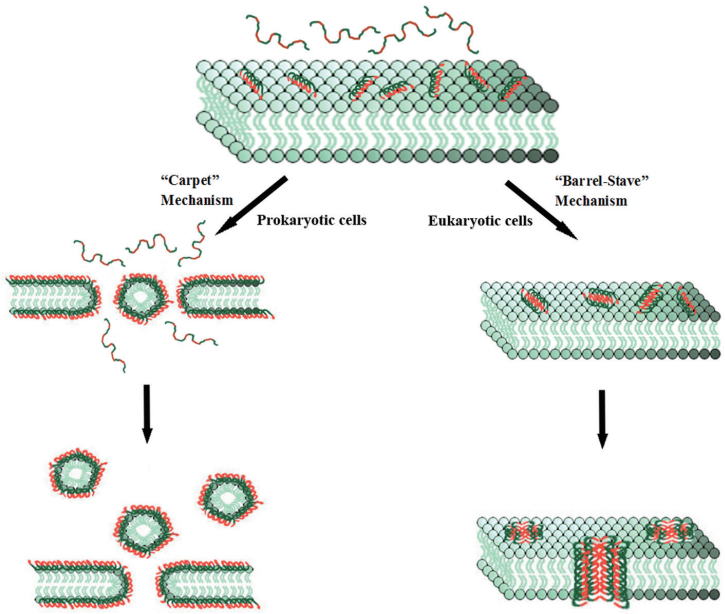


Source: Company

PL-5's mechanism of action is based on the "Membrane Discrimination Mechanism" (膜區分機理) and the membrane-induced activation mechanism. In simple terms, PL-5 works by taking advantage of a basic difference between bacterial cells and human cells. Bacterial cell membranes are enriched in negatively charged lipid, whereas human cell membranes or mammalian cell membranes are primarily composed of zwitterionic lipid. This difference in lipid composition results in a net negative charge on bacterial membranes, in contrast to the near-neutral charge of mammalian cell membranes. Therefore, as a positively-charged peptides, AMPs are preferentially attracted to the bacterial cell membrane and pass through the cell walls (the outer layer of the bacterial cell membrane) of Gram-positive and Gram-negative bacteria (which differ in cell wall structure) due to the electrostatic interactions, while exhibiting little to no affinity for human cells, which are largely electrically neutral in composition. This selective interaction with bacterial membranes also explains why PL-5 is expected to exert minimal toxic effects on normal human cells. In addtion, although PL-5 may also act on commensal bacteria during the treatment period, it primarily addresses the pathogenic bacteria that are dominant in patients with active clinical symptoms. Following effective pathogen elimination, the commensal flora is expected to gradually recover toward a healthier balance through host immune regulation and microbiome self-adjustment.

When PL-5 reaches the surface of a bacterial cell, it changes from an unstructured form in solution into an active α-helical form. In this active form, it may disrupt the bacterial cell membrane in two related ways. One is the "barrel-stave" mechanism, in which PL-5 inserts into the membrane and forms pore-like openings. The other is the "carpet" mechanism, in which PL-5 covers the membrane surface and destabilizes it until the membrane breaks down. In both cases, the protective membrane of the bacterial cell is damaged, causing the cell to lose its integrity and die.

We refer to this mode of interaction of antimicrobial peptides, which combines the above two mechanisms, as a "Membrane Discrimination Mechanism". The figure below illustrates this mechanism.



Source: Company

The key highlight of our AMPs' mechanism of action lies in its distinctive secondary-structure transition: it remains flexible and disordered in aqueous solution, but, upon contact with a target (such as a microbial membrane), it can be rapidly induced by the membrane hydrophobic environment to fold into an α-helix, thereby exerting its biological function. According to Frost & Sullivan, the advantages of this mechanism include:

- First, it significantly enhances selectivity and may help reduce toxicity. In an aqueous environment, the AMP remains in an inactive, disordered state and has relatively limited interaction with surrounding normal tissue cells. Through electrostatic interactions between negatively charged microbial membranes and positively charged AMPs, AMP molecules selectively move towards microbial membranes. Only upon encountering hydrophobic components characteristic of bacterial or fungal membranes does it fold into an α-helical structure with membrane-disruptive activity, thereby enabling more efficient killing at the site of infection.
- Second, its physical membrane-disruption mode of action may reduce the risk of resistance development. As the target is the physical structure of the membrane rather than a specific protein target, bacteria and fungi are less able to develop resistance through a single gene mutation.

Overall, based on its "Membrane Discrimination Mechanism", PL-5 exhibits activity against a broad range of bacteria, including Gram-positive and Gram-negative bacteria. As this mechanism does not rely on a single enzymatic target or metabolic process, the development of resistance to membrane active peptides whose sole target is the cytoplasmic membrane is not expected.

Market Opportunity and Competition

Peptide-based anti-infective drugs

Peptide-based anti-infective drugs are short amino acid sequences that kill or inhibit pathogenic microorganisms primarily through direct membrane disruption and/or immune modulation mechanisms. Among this class, AMPs represent the most extensively studied and clinically relevant category, serving as key effectors of innate immunity and forming the scientific foundation of peptide-based anti-infective therapeutics. Conventional antibiotics have saved innumerable lives in the past decades. Nonetheless, the constant growth of antibiotic resistance has established a pressing demand for new

molecules to be discovered or designed as new antimicrobial agents. According to Frost & Sullivan, antibiotics face substantial challenges due to bacterial resistance mechanisms, which can be intrinsic or acquired, underscoring the urgent need for novel drugs and strategies to combat resistant pathogens.

The global market size for peptide-based anti-infective drugs reached approximately USD2.0 billion in 2025, with the China market estimated at approximately USD0.2 billion in 2025, according to Frost & Sullivan. These figures are projected to grow to USD3.5 billion globally and USD0.4 billion in China by 2030, reflecting a continued upward trend. For details, please see "Industry Overview — Peptide-Based Anti-Infective Drug Market."

As of the Latest Practicable Date, peptide-based anti-infective drugs remain scarce in both the U.S. and China, with only a limited number approved by the FDA and the NMPA and most approvals granted in earlier years, according to Frost & Sullivan. Certain marketed products that are sometimes categorised as AMPs, such as Polymyxin and Daptomycin, are in fact cyclic peptides and are structurally and mechanistically distinct from our linear a-helical, membrane-active AMPs. Polymyxin targets Gram-negative bacteria and is ineffective against Gram-positive bacteria, and its clinical use is associated with a risk of nephrotoxicity. Daptomycin acts against Gram-positive bacteria, but is associated with a risk of muscle toxicity, including elevated creatine phosphokinase levels, and is administered systemically by injection rather than via local topical application. Therefore, there is a need for anti-infective drugs with improved safety profiles and broader anti-infective spectra, according to Frost & Sullivan.

As of the Latest Practicable Date, there were six clinical-stage peptide-based anti-infective drug candidates under development overseas, whereas there were seven such candidates under development in China, according to Frost & Sullivan. Among the AMP candidates currently under development in China, there are notable differences in their mechanisms of action and molecular design strategies and formulation. For example, some candidates adopt a multi-target design approach that integrates both antibacterial and anti-inflammatory activities, aiming to indirectly ameliorate infection-related pathological conditions by modulating host immune responses and inflammatory pathways. Other candidates primarily focus on specific dermatological indications, with antibacterial effects derived from the interaction between naturally occurring peptides and bacterial membranes, and development efforts concentrated on topical administration settings. In addition, certain candidates are derived from well-defined antimicrobial peptide molecules, with research largely centred on their antibacterial and immunomodulatory activities; however, their structure-function relationships and modes of action in complex infectious environments remain predominantly at the basic research stage.

By contrast, PL-5 is designed as a linear, structurally inducible antimicrobial peptide. Its mechanism of action emphasises the formation of an α-helical conformation upon contact with bacterial membranes, leading to direct membrane disruption. This design strategy highlights mechanistic alignment between molecular structure and antibacterial function, thereby supporting a relatively clear and interpretable pharmacological pathway.

Secondary wound infection and secondary infection of burn wounds drugs in China

Secondary wound infection refers to microbial infection occurring in acute or chronic wounds caused by trauma, surgery, pressure injury or underlying diseases such as diabetes. It represents a broad spectrum of clinical conditions, including acute bacterial skin and soft tissue infections ("**ABSSSI**"), diabetic foot infections ("**DFI**"), burn-related infections, and post-surgical wound infections, among others. These infections may significantly delay wound healing and may lead to severe complications, including sepsis and amputation. Despite long-term reliance on conventional antibiotics, rising antimicrobial resistance and biofilm formation have substantially reduced treatment effectiveness, resulting in significant unmet clinical needs, according to Frost & Sullivan. In addtion, certain existing formulation is inconvenient for administration (e.g., ointments or cream may cause secondary contamination or mechanical injury during application).

According to Frost & Sullivan, the global incidence of secondary wound infection increased from approximately 74.4 million cases in 2020 to 79.4 million cases in 2025, and is expected to reach 85.1 million cases by 2030. In China, incidence rose from approximately 16.8 million cases in 2020 to 18.9 million cases in 2025 and is projected to continue growing steadily. Correspondingly, the global secondary wound infection drug market reached approximately USD12.2 billion in 2025 and is expected to grow to USD14.1 billion by 2030. The China market was approximately USD0.9 billion in 2025 and

is projected to expand to USD1.1 billion by 2030. In China, the incidence of secondary infection of burn wounds was 2.87 million cases in 2025 and is expected to remain approximately 2.92 million cases by 2030. The market for drugs used to treat secondary infection of burn wounds in China amounted to approximately USD0.15 billion in 2025 and is projected to remain approximately USD0.19 billion on a rounded basis by 2030.

As of the Latest Practicable Date, only three drugs have been approved for the treatment of secondary wound infections, including one drug specifically approved for secondary infections of burn wounds, and two drugs approved for ABSSSI and DFI, respectively, which represent certain subtypes within the broader category of secondary wound infections, according to Frost & Sullivan. Within the scope of pipeline programs active over the past three years, in China, only two pipeline candidates, MRX-4 and YB211, have been identified. Collectively, it indicates a limited approved and clinical-stage landscape in this field, underscoring the significant unmet medical need and development opportunity for differentiated therapies targeting secondary wound infections. For details, please see "Industry Overview — Secondary Wound Infection Drug Market."

Diabetic foot infection drugs in the U.S.

According to Frost & Sullivan, DFI is one of the most severe and costly complications of diabetes mellitus. According to WHO, diabetic foot complications remain a major global health burden, with a lower-limb amputation occurring approximately every 20 seconds worldwide. DFIs are often polymicrobial infections, involving primarily Gram-positive bacteria, particularly *Staphylococcus aureus*, together with various Gram-negative bacteria, such as *Pseudomonas aeruginosa, Escherichia coli and Klebsiella pneumoniae*. The condition is typically associated with neuropathy, ischemia, and mixed microbial infections, making treatment complex and resource-intensive. Due to impaired microcirculation in the lower extremities, systemically administered antibiotics may not achieve adequate exposure at the infection site. Together with the colonization and invasion of multidrug-resistant pathogens, this may result in persistent or refractory infections and, ultimately, a substantially increased risk of amputation and even death. Effective anti-infective therapy for DFI requires broad pathogen coverage, including Gram-positive, Gram-negative, and mixed infections, while also addressing the high prevalence of multidrug-resistant microorganisms.

According to Frost & Sullivan, globally the number of patients with DFI increased from approximately 29.7 million in 2020 to 32.5 million in 2025, and is projected to reach 36.0 million by 2030. In China, patient numbers were approximately 10.7 million in 2025 and are expected to continue growing moderately. The global DFI drug market reached approximately USD3.1 billion in 2025 and is expected to grow to USD3.4 billion by 2030. The China market was approximately USD0.5 billion in 2025 and is projected to expand to USD0.7 billion by 2030.

As of the Latest Practicable Date, according to Frost & Sullivan, the FDA has approved only two drugs for DFI, although these products were not specifically developed for this indication. Both are systemically administered and have been reported to face drug-resistant bacterial strains and clinically significant systemic adverse effects, particularly in prolonged treatment settings. In addition, the overseas clinical pipeline for diabetic foot infection remains limited, with only two clinical-stage candidates identified worldwide, both in Phase II development. Collectively, these factors reflect a limited treatment and development landscape and underscore the substantial unmet medical need for safer and more effective therapies for diabetic foot infection. See "Industry Overview — Diabetic Foot Infection Drug Market"

Key Advantages

Strong Clinical Evidence Supporting Superior Efficacy and More Comprehensive Patient Benefits

Clinical results have demonstrated that PL-5 offers superior therapeutic efficacy compared to the positive control, 1% silver sulfadiazine ("**SSD**") cream, which is a commonly used standard topical antibiotic treatment for infected wounds in the clinical practice, while also providing clinical evidence on wound healing. In our head-to-head Phase IIIa clinical trial (n=570), PL-5 (0.2% pecceleganan topical spray) achieved a higher clinical efficacy rate on Day 8 than 1% SSD cream (90.4% vs. 78.7%; p=0.0006). In our Phase IIIb clinical trial (n=348), PL-5 (0.2% pecceleganan topical spray) achieved a higher wound complete healing rate on Day 15 than placebo (64.3% vs. 43.1%; p=0.0002). These

results support PL-5's superior therapeutic efficacy against positive control and favorable wound healing profile compared with placebo. For further details, please see "— Summary of Clinical Trial Results" below.

About Drug-Resistance

- **Active against antibiotic-resistant bacteria:** According to the World Health Organization's *Bacterial Priority Pathogens List* (2024 update), which identifies certain "difficult-to-treat" antibiotic-resistant bacteria, our *in vitro* studies showed that PL-5 exhibited antibacterial activity against multiple resistant pathogens on the list, including *Acinetobacter baumannii* in the critical priority group, as well as *Pseudomonas aeruginosa* and *Staphylococcus aureus* in the high priority group. For example, PL-5 demonstrated comparable inhibitory effects against both antibiotic-susceptible and antibiotic-resistant strains of *A. baumannii*, supporting its antibacterial activity against antibiotic-resistant bacteria. The following table shows the *in vitro* efficacy data of PL-5 compared with two last-resort antibiotics — therapies used as a last-line defense in clinical practice for serious bacterial infections — vancomycin and imipenem.

Strain	Gram Stain Classification	Number of Strains	PL-5 MIC_{90} μM	Vancomycin MIC_{90} μM	Imipenem MIC_{90} μM
MRSA	G+	130	2.3	0.69	—
MSSA	G+	67	2.3	1.38	—
MRSCNS	G+	121	2.3	1.38	—
MSSCNS	G+	61	2.3	1.38	—
Klebsiella pneumoniae (ESBL-producing)	G-	80	2.3	—	5.75
Klebsiella pneumoniae (non-ESBL-producing)	G-	40	2.3	—	1.44
Pseudomonas aeruginosa (IPM-R)	G-	81	4.59	—	—
Pseudomonas aeruginosa (IPM-S)	G-	43	4.59	—	2.87
Acinetobacter baumannii (IPM-R)	G-	87	2.3	—	—
Acinetobacter baumannii (IPM-S)	G-	33	2.3	—	2.87
Enterobacter cloacae	G-	40	4.59	—	5.75
Citrobacter freundii	G-	20	4.59	—	22.99

Notes: As *Pseudomonas aeruginosa* (IPM-R) and *Acinetobacter baumannii* (IPM-R) are imipenem-resistant strains, the study design did not require the determination of the MIC of imipenem; "—" indicates no efficacy; ESBL: Extended Spectrum Beta Lactamases. MRSA: Methicillin-resistant *Staphylococcus aureus*. MSSA: Methicillin-susceptible *Staphylococcus aureus*. MRSCNS: Methicillin-resistant coagulase-negative staphylococci. MSSCNS: Methicillin-susceptible coagulase-negative staphylococci.

- **No Inducible Drug Resistance:** Based on its antibacterial mechanism that primarily targets the bacterial cell membrane, we believe that PL-5 has a relatively low risk of inducing resistance upon repeated use. In our preclinical studies, under 15-passage induction conditions (repeated exposure designed to induce resistance), the minimum inhibition concentration (MIC) of PL-5 remained generally stable against bacteria (*E. coli*, *S. aureus*, and *P. aeruginosa*) and fungus (*C. albicans*). In contrast, the MIC of the antibiotics increased to approximately 44.28~44.29 μM for levofloxacin (bacteria) and 417.93 μM for fluconazole (fungus), suggesting a low risk of resistance induction for PL-5 in this *in vitro* model. In antibiotic resistance induction experiments, bacteria developed a 64-fold increase in levofloxacin resistance, and fungus developed an approximately 502-fold increase in fluconazole resistance. However, bacteria and fungus exhibit almost no resistance against PL-5.

Broad-Spectrum Antibacterial Activity

- **Mechanistic basis for broad-spectrum activity:** We adopt a "Membrane Discrimination Mechanism" of action, under which our PL-5 can distinguish bacterial cell membranes from human cell membranes based on differences in membrane composition and surface charge, thereby exerting membrane-disruptive effects and causing bacterial death. Based on this mechanism, the development of resistance to membrane-active peptides, whose sole target is the cytoplasmic membrane, is not expected.
- **Broad-spectrum activity supported by both preclinical and clinical data:** Our preclinical *in vitro* studies showed that PL-5 exhibited inhibitory and bactericidal activity against 1,102 clinically isolated strains across 13 bacterial species, including multiple Gram-positive and

Gram-negative bacteria, with activity observed against both antibiotic-susceptible and antibiotic-resistant strains. In our Phase IIIa and Phase IIIb clinical trials, we observed antibacterial activity of PL-5 against a total of 2,242 clinically isolated strains, including, among others, strains of *Acinetobacter baumannii*, *Staphylococcus aureus*, and *Pseudomonas aeruginosa*.

High Effectiveness

- **Superior early clinical efficacy:** In our Phase IIIa clinical trial, PL-5 demonstrated higher clinical efficacy rates than SSD on Day 5 after administration in both the FAS and PPS populations, with statistically significant between-group differences. The clinical efficacy rates in the PL-5 and SSD groups were 59.2% and 49.2%, respectively, in the FAS population ($P=0.0252 < 0.05$), and 59.5% and 49.7%, respectively, in the PPS population ($P=0.0310 < 0.05$).
- **Reduced burden of resistance testing and culture:** In clinical practice, prescribing decisions often rely on culture and antimicrobial susceptibility testing before initiating therapy, which may delay treatment initiation and reduce prescribing efficiency in the early stage of infection. PL-5 may help address this, as its use may not require these tests and cultures before use, given its activity against antibiotic-resistant bacteria, no inducible drug resistance, and broad-spectrum antibacterial activity.

Proprietary Design and National Recognition

The drug's high selectivity and stability are enabled by a proprietary AMP molecular design. This design avoids artificial cyclization, preserves the natural secondary structure of the peptide, and ensures reproducible biological activity across manufacturing batches. As China's first Ganan-class antimicrobial peptide to receive an INN from the WHO, PL-5 represents a significant national innovation milestone. Its development has been consecutively supported by the Chinese Ministry of Science and Technology's "Major New Drug Innovation" national science and technology major projects during both the 12th and 13th Five-Year Plan periods, underscoring its strategic importance.

Long-lasting Effect, Convenient Administration and Creating Moist Wound Healing Environment

PL-5 is formulated as a topical spray for direct administration to the wound surface. This route of administration is designed to achieve sustained local drug exposure and is less dependent on drug delivery through the local circulation, which may be impaired in certain chronic or complex wounds. In addition, spray application enables uniform coverage of irregular and complex wounds, providing painless administration and precise dosing while reducing the risk of mechanical injury and cross-contamination associated with repeated contact during topical application. Moreover, this formulation is also designed to maintain an appropriately moist wound microenvironment, which may promote granulation tissue formation, epithelial cell migration and re-epithelialization, while reducing wound desiccation and scab formation and minimizing mechanical damage to newly formed tissue during dressing changes, thereby creating favorable conditions for wound repair.

Clinical Development Plan

In China, PL-5 has completed its Phase III clinical trials, and received NDA approval from the NMPA in June 2026. We currently expect commercial launch in 2026. We also plan to conduct a post-market evaluation within five years thereafter to fulfill our statutory obligations under the Drug Administration Law. In the U.S., a Phase II clinical trial is ongoing and is expected to be completed by the third quarter of 2028, subject to trial progress. For the R&D expenses of our Core Product, please see "Financial Information — Cash Operating Costs — Research and Development Costs for Core Product."

Summary of Clinical Trial Results

As of the Latest Practicable Date, we have completed six standalone clinical trials, including two Phase III trials, in China and are advancing one Phase II clinical trial in the U.S. for PL-5 Topical Spray. The table below sets out all the completed and ongoing clinical studies.

Summary of Clinical Development of PL-5 Topical Spray

Phase	No.	Objective	Name	Participants	Dosage/ Exposure	Timespan	Status
IIIb	JSPL-PL-5-302	Safety, efficacy, PK	A multicenter, randomized, double-blind, placebo-controlled phase IIIb clinical trial evaluating the efficacy and safety of PL-5 AMP spray in the treatment of wound infection	Patients with Wound Infection	Once daily for 14 consecutive days.	June 2023 – August 2024 (LPO), November 2024 (CSR)	Completed in China
IIIa	JSPL-PL-5-301	Safety, efficacy	A multicenter, randomized, open-label, active-controlled phase III clinical trial evaluating the efficacy and safety of PL-5 AMP spray in the treatment of wound infection	Patients with Wound Infection	Once daily for 7 consecutive days.	August 2021 – July 2022 (LPO), February 2023 (CSR)	Completed in China
IIb	JSPL-PL-5-202	Safety, efficacy, PK	A multicenter, randomized, open-label, active-controlled phase IIb clinical trial evaluating the efficacy and safety of PL-5 AMP spray in the treatment of wound infection	Patients with Secondary Wound Infection	Once daily for 7 consecutive days.	July 2020 – May 2021 (LPO), July 2021 (CSR)	Completed in China
IIa	GQ-PL-5-201	Safety, efficacy	A randomized, open-label, active-controlled, dose-escalation clinical trial of PL-5 AMP spray for the treatment of wound infection	Patients with Wound Infection	Once daily for 7 consecutive days.	July 2018 – September 2019 (LPO), April 2020 (CSR)	Completed in China
Ib	GQ-PL-5-102	Safety, PK	A multiple-dose human safety and efficacy study of the PL-5 AMP spray	Healthy adults	Twice daily for 7 consecutive days (with only one dose administered on the morning of Day 7).	June 2017 – December 2017 (LPO), September 2018 (CSR)	Completed in China
Ia	GQ-PL-5-101	Safety, PK	A single-dose human tolerability study of the PL-5 AMP spray	Healthy adults	Single Administration	September 2016 – March 2017 (LPO), September 2017 (CSR)	Completed in China
II	JSPL-PL-5-203	Safety, efficacy	A multicenter, randomized, double-blind, placebo-controlled clinical trial evaluating the efficacy and safety of PL-5 AMP spray in patients with mild diabetic foot ulcer infection	Patients with IWGDF Grade II Diabetic Foot Ulcer Infection	Twice daily for 14 consecutive days.	January 2024 – 2028 Q3 (expected)	Ongoing in the U.S.

Notes: "Clinical trial completion" generally refers to the date on which the last subject completes the final protocol-specified visit or procedure in the relevant clinical trial, commonly understood as last patient out, last subject last visit or last participant last visit, with reference to ClinicalTrials.gov, the ICH E3 guideline and ChiCTR clinical trial registration practice."

According to Frost & Sullivan, the use of relatively small sample sizes in early-stage clinical trials, such as Phase I and Phase IIa trials, is generally consistent with industry practice, as such trials are primarily designed to assess safety, explore preliminary efficacy signals and inform subsequent trial design.

Phase III Clinical Studies in China

Two Phase III clinical studies have been completed for this product in China. The Phase IIIa clinical trial was designed as an open-label, active-controlled study primarily focused on infection control, using the clinical efficacy rate on Day 1 after completion of the last dose as the primary endpoint, which was intended to evaluate the anti-infective efficacy of PL-5. Given the particular considerations applicable to locally administered drugs with local therapeutic effects in clinical trial design and regulatory evaluation, regulatory authorities consider not only the anti-infective efficacy of such products, but also whether they may affect local tissue repair and wound healing. Although SSD was an appropriate positive control for assessing anti-infective efficacy, its cream formulation made blinding against the investigational spray impractical. In addition, SSD may itself affect wound healing. Therefore, a placebo-controlled design was considered more appropriate for evaluating wound-healing outcomes. We then conducted the Phase IIIb clinical trial as a double-blind, placebo-controlled study using wound complete healing rate on Day 1 after completion of the last dose as the primary endpoint to provide supplementary clinical evidence on wound healing, and the differences between the Phase IIIa and Phase IIIb trial designs were made pursuant to the CDE's recommendation.

A Phase IIIa, Multicenter, Randomized, Open-Label, Active-Controlled Clinical Trial to Evaluate the Efficacy and Safety of Antimicrobial Peptide PL-5 Spray in Patients with Wound Infections.

Trial design

- **Enrollment and dosing regimen:** A total of 570 subjects with wound infection were enrolled, including 381 in the test group (PL-5 Spray) and 189 in the positive control group (SSD cream). Subjects in both groups received treatment once daily for seven days. Study visits were conducted at screening (Day -1 to Day 1), on Day 5 of dosing ("**Day 5**"), on Day 1 after completion of the last dose ("**Day 8**"), and on Day 7 after completion of the last dose.
- **Key eligibility criteria:** (i) Key inclusion criteria included: (a) age between 18 and 75 years; (b) the presence of an open wound with secondary infection, including burns, abrasions, cuts, lacerations, sutured wounds, traumatic ulcers, pressure ulcers, venous ulcers and Wagner Grade II diabetic foot ulcers, and satisfaction of the protocol-defined criteria relating to wound characteristics, infection severity, bacteriological findings and expected treatment approach during the study period; (c) collection of bacterial samples before enrollment and positive microscopic examination results; (d) agreement to adopt effective contraceptive measures, where applicable; and (ii) Key exclusion criteria included: (a) failure to collect bacterial culture samples before enrollment; (b) recent use of systemic antibacterial drugs or prior use of topical antibacterial therapy on the study wound, unless deemed ineffective by the investigator; (c) wound infections expected to require concomitant antibacterial therapy or surgical intervention during the study period; (d) wound infections known or suspected to be caused by non-bacterial pathogens, or acute severe infections requiring surgical management.
- **Primary and other endpoints:** The primary efficacy endpoint was the clinical efficacy rate on Day 8. Other key efficacy endpoints included minimum inhibitory concentration ("**MIC**") analysis and subgroup efficacy analysis. Safety endpoints included adverse events ("**AEs**"), serious adverse events ("**SAEs**"), treatment-emergent adverse events ("**TEAEs**"), treatment-related adverse events ("**TRAEs**"), wound-related adverse events, laboratory tests, vital signs, physical examinations and electrocardiograms.

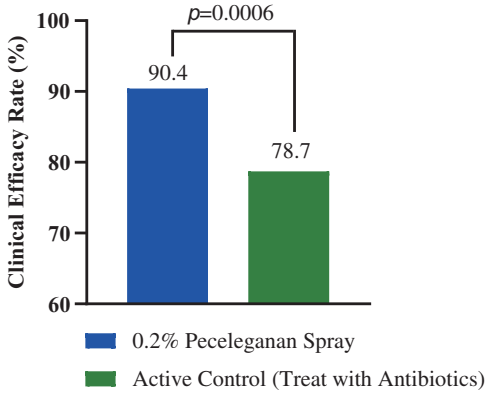
Efficacy Results

Efficacy was evaluated based on the protocol-specified analysis sets, including the full analysis set ("**FAS**"), the modified FAS ("**mFAS**"), and the per protocol set ("**PPS**"), as applicable.

- Clinical Efficacy Rate on Day 8

In the FAS, the clinical efficacy rate on Day 8 were 90.4% in the test group and 78.7% in the positive control group. The between-group difference was statistically significant (Chi-square test, $P = 0.0006 < 0.05$). The response clinical efficacy rate in the test group was 11.7% higher overall than in the control group. These results indicate that in the FAS population, the test group demonstrated superior clinical efficacy regarding wound outcome on Day 8 compared to the positive control group.

Clinical Efficacy Rate on Day 8 (n=570)



- MIC Analysis

MIC testing was performed on 1,471 clinical isolates obtained from the mFAS subjects. The isolates comprised 526 *Staphylococcus aureus*, 231 *Staphylococcus epidermidis*, 159 *Pseudomonas aeruginosa*, 71 S*taphylococcus haemolyticus*, 70 *Klebsiella pneumoniae*, 63 *Enterococcus faecalis*, 54 *Escherichia coli*, 32 *Acinetobacter baumannii*, 31 *Proteus mirabilis*, and 26 *Enterobacter cloacae*. The table below summarizes the MIC ranges of PL-5 against selected resistant and intrinsically resistant isolates evaluated in this clinical trial.

Resistance Category	Representative Strains Included in Analysis	Number of Isolates Tested	MIC Range of PL-5
Ceftriaxone-resistant and intrinsically resistant strains	*P. aeruginosa*, *E. faecalis*, *K. pneumoniae*, *E. coli*, *A. baumannii*, *Corynebacterium striatum*	159, 63, 29, 25, 20, 13	1–32 μg/mL
Imipenem-resistant and intrinsically resistant strains	*P. mirabilis*, *A. baumannii*, *K. pneumoniae*, *Stenotrophomonas maltophilia*, *P. aeruginosa*	23, 18, 6, 5, 4	2–32 μg/mL for most common wound pathogens (excluding *P. mirabilis*)
Levofloxacin-resistant and intrinsically resistant strains	*S. epidermidis*, *S. aureus*, *S. haemolyticus*, *E. coli*, *P. aeruginosa*, *K. pneumoniae*, *E. faecalis*, *A. baumannii*, *P. mirabilis*	101, 72, 57, 34, 21, 18, 18, 15, 10	1–32 μg/mL for most common wound pathogens, excluding *E. faecalis* and some *P. mirabilis* strains

- Efficacy Analysis in the Burn/Scald Wound Infection Subgroup

In the burn/scald wound infection subgroup of the FAS, the clinical response rates on Day 1 after the last dose were 92.8% in the test group and 84.6% in the positive control group.

- Efficacy Analysis in the Physical Injury Wound Infection Subgroup

In the physical injury wound infection subgroup of the FAS, the clinical response rates on Day 1 after the last dose were 80.4% in the test group and 62.1% in the positive control group.

- Efficacy Analysis in the Diabetic Foot Ulcer Infection Subgroup

In the diabetic foot ulcer infection subgroup of the FAS, the clinical response rates on Day 1 after the last dose were 94.1% in the test group and 0.0% in the positive control group.

Safety Results

Safety was evaluated in the safety set ("**SS**"), which included 566 subjects, comprising 380 subjects in the PL-5 group and 186 subjects in the positive control group. The actual dosing duration was generally comparable between the two groups, with a mean exposure of 6.9 days in both groups.

In the SS, the incidences of TEAEs, TRAEs and SAEs were generally comparable between the two groups. TEAEs occurred in 93 subjects (24.5%) in the PL-5 group and 44 subjects (23.7%) in the positive control group, while TRAEs occurred in 28 subjects (7.4%) and 13 subjects (7.0%), respectively. No TEAE or TRAE with an incidence of 5% or above was reported in either group. SAEs occurred in three subjects (0.8%) in the PL-5 group and three subjects (1.6%) in the positive control group.

AEs leading to drug discontinuation were reported in two subjects (0.5%) in the PL-5 group and two subjects (1.1%) in the positive control group. No death was reported in this study. Compared with baseline, no clinically significant changes were observed in laboratory parameters in either group.

Conclusion

PL-5 Spray demonstrated superior clinical efficacy in improving wound outcomes compared to the positive control drug, SSD cream. An independent comparative analysis of the eradication rates for key pathogens (*Staphylococcus aureus*, *Staphylococcus epidermidis*, *Pseudomonas aeruginosa*, *Enterococcus faecalis*) in major wound types (burn/scald infections, physical injury infections) showed that the microbial eradication capability of Antimicrobial Peptide PL-5 Spray was comparable to that of SSD cream.

No new or unexpected safety concerns were identified in this study. The safety profile of Antimicrobial Peptide PL-5 Spray was similar to that of SSD cream. Therefore, Antimicrobial Peptide PL-5 Spray exhibits a favorable safety profile for the treatment of infected wounds.

A Phase IIIb, Multicenter, Randomized, Double-Blind, Placebo-Controlled Clinical Trial Evaluating the Efficacy and Safety of Antimicrobial Peptide PL-5 Spray for the Treatment of Wound Infections.

Trial design

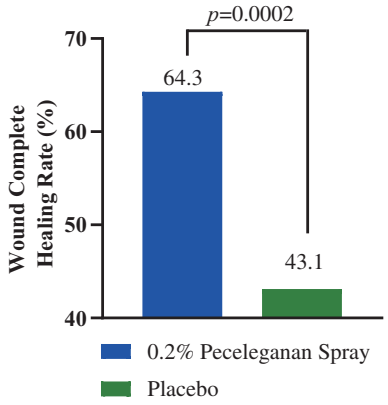
- **Enrollment and dosing regimen:** A total of 348 subjects were randomized in a 2:1 ratio to receive either PL-5 spray or placebo spray, including 232 subjects in the test group and 116 subjects in the placebo group. Subjects received treatment once daily for 14 days. Study visits were conducted at screening (Day-1 to Day 1), on Day 5 of dosing (Day 5), on Day 8 of dosing (Day 8), on Day 1 after completion of the last dose ("**Day 15**"), and on Day 7 after completion of the last dose ("**Day 21**").
- **Key eligibility criteria:** (i) Key inclusion criteria included: (a) age between 18 and 65 years; (b) the presence of a mildly infected secondary burn wound at screening; and (c) satisfaction of the protocol-defined inclusion criteria, including those relating to wound area, infection severity, bacteriological positivity, burn extent, expected treatment approach during the study period, protocol compliance and contraceptive measures, where applicable; and (ii) Key exclusion criteria included (a) failure to collect bacterial culture samples before enrollment; (b) recent use of systemic antibacterial drugs or prior use of topical antibacterial therapy on the study wound, unless such treatment was considered ineffective by the investigator; (c) wound infections expected to require concomitant antibacterial therapy during the study period; (d) wound infections known or suspected to be caused by non-bacterial pathogenic microorganisms.
- **Primary and other endpoints:** The primary efficacy endpoint was the wound complete healing rate on Day 15. Other key efficacy endpoints included the wound complete healing rates on Day 21, microbiological response rate on Day 15, and overall response rate on Day 15. Safety evaluations included AEs, SAEs, TEAEs, TRAEs, wound-related TEAEs, wound-related TRAEs, laboratory tests, vital signs, physical examinations and 12-lead ECGs.

Primary efficacy endpoints

- Wound Complete Healing Rate on Day 15

Among subjects in the FAS, the wound complete healing rates on Day 15, were 64.3% in the test group and 43.1% in the placebo group, demonstrating a statistically significant between-group difference (P=0.0002). The healing rate in the test group was 21.2% higher than in the placebo group, indicating superior clinical efficacy.

Wound Complete Healing Rate on Day 15 (n=348)



Key secondary efficacy endpoints

- Wound Complete Healing Rate on Day 21

The wound complete healing rates on Day 21 were 73.5% in the test group and 56.9% in the placebo group, with a statistically significant between-group difference (P=0.0018).

- Microbiological Response Rate on Day 15

The microbiological response rates on Day 15 were 72.3% in the test group and 50.5% in the placebo group, showing a statistically significant difference (P=0.0001).

- Overall Response Rate on Day 15

The overall response rates on Day 15 were 63.1% in the test group and 41.9% in the placebo group, with a statistically significant between-group difference (P=0.0003).

Safety results

Safety was evaluated in the SS, which included 347 subjects, comprising 231 subjects in the PL-5 group and 116 subjects in the placebo group. The actual dosing duration was generally comparable between the two groups, with a mean exposure of 11.3 ± 3.20 days in the PL-5 group and 11.6 ± 3.26 days in the placebo group.

In the SS, the incidence of TEAEs, TRAEs and SAEs were genrally comparable between the two groups. TEAEs occurred in 60 subjects (26.0%) in the PL-5 group and 29 subjects (25.0%) in the placebo group, while TRAEs occurred in 11 subjects (4.8%) and five subjects (4.3%), respectively. No TRAE with an incidence of 5% or above was reported in either group. Grade 3 or above TEAEs occurred in three subjects (1.3%) in the PL-5 group and two subjects (1.7%) in the placebo group. No Grade 3 or above TRAE or wound-related TRAE was reported in either group. SAEs occurred in three subjects (1.3%) in the PL-5 group and one subject (0.9%) in the placebo group, and all SAEs in both groups were considered unrelated to the study drug.

No AEs of Grade 3 severity or higher leading to treatment discontinuation occurred in either the test or placebo group. No deaths were reported in this study. Compared to baseline, no clinically significant changes were observed in laboratory parameters for either group.

PK analysis

Based on the Pharmacokinetic Set ("**PKS**"), all plasma concentrations of Antimicrobial Peptide PL-5 at each visit were below the lower limit of quantification ("**BQL**"). No detectable plasma drug concentration was found in the subjects, confirming that the drug does not enter the systemic circulation.

Conclusion

When administered for two consecutive weeks for the treatment of secondary infected wounds, Antimicrobial Peptide PL-5 Spray demonstrated superior clinical efficacy in improving wound healing compared to placebo. Its efficacy in eradicating wound infection pathogens was also superior to that of placebo. MIC results indicated that Antimicrobial Peptide PL-5 exhibits potent and broad-spectrum antibacterial activity against common clinical isolates from wound infections.

The safety profile of Antimicrobial Peptide PL-5 Spray was comparable to that of placebo, with a low incidence of various AEs. Therefore, Antimicrobial Peptide PL-5 Spray exhibits a favorable safety profile for the treatment of secondary infected wounds.

Following topical administration of Antimicrobial Peptide PL-5 Spray to the wound, no detectable plasma concentration of Antimicrobial Peptide PL-5 was observed, confirming that the drug does not enter the systemic circulation when applied locally.

Phase II Clinical Studies in China

Two Phase II clinical studies were conducted for PL-5 in China. The first was a Phase IIa randomized, open-label, active-controlled, dose-finding study (GQ-PL-5-201) in patients with wound infections, aiming to evaluate the safety and efficacy of Antimicrobial Peptide PL-5 Spray and explore its effective clinical dosage. The second, a Phase IIb randomized, open-label, active-controlled study (JSPL-PL-5-202), was also conducted domestically in patients with wound infections, with the objectives of assessing the efficacy and safety of Antimicrobial Peptide PL-5 Spray, exploring its optimal effective clinical dosage, and evaluating its pharmacokinetic (PK) profile following absorption through the wound surface.

Phase IIa (randomized, open-label, active-controlled, dose exploration)

- **Trial design:** 40 patients with wound infections; randomized and open-label; active-controlled; four parallel groups (active control, or PL-5 0.00625 mg/cm^2 (1‰), 0.025 mg/cm^2 (4‰), 0.0375 mg/cm^2 (6‰)); 10 patients per group; all completed the study; all included in the FAS and SS.
- **Safety:** No SAEs/serious ADRs; no AEs/ADRs leading to drug discontinuation or study withdrawal.
- **Efficacy:** On Day 1 after the last dose, clinical effective rates were 70.0% (active control), 70.0% (1‰), 90.0% (4‰), and 100.0% (6‰).

Phase IIb (multicenter, randomized, open-label, active-controlled)

- **Trial design:** Multicenter; randomized and open-label; Part I (efficacy/safety) and Part II (PK). Part I: 220 patients randomized to 1‰, 2‰, 4‰, or active control (n=59/61/60/40); 211 completed. Part II: 6 patients enrolled for PK; 174 plasma samples collected.
- **Safety:** Part I AE incidence: 27.1% (1‰), 34.4% (2‰), 20.0% (4‰), 23.7% (control). Important AE incidence: 10.2%, 14.8%, 11.7%, 15.8%, respectively (all Grade 1–2). One Grade 4 dyspnea in the control group led to discontinuation. Part II: no AE/ADR/SAE, and no events leading to discontinuation.
- **Efficacy:** In Part I FAS, effective rates on Day 1 after the last dose were 100.0% (1‰), 96.7% (2‰), 96.7% (4‰), and 87.5% (control); Chi-square $P<0.05$.
- **PK:** In Part II, plasma PL-5 concentrations were below the LLOQ in all samples.

Phase I Clinical Studies in China

Following its NMPA clinical trial approval on May 4, 2016, two Phase I clinical studies were conducted for this product in China:

- *Single-dose escalation study (Phase I, healthy subjects)*

In a randomized, double-blind, placebo-controlled, single ascending dose study (n=40; five dose groups from 0.003125 to 0.0375 mg/cm^2), PL-5 topical spray was safe and well-tolerated after a single administration. No drug-related AEs or SAEs were reported. For the highest dose group (0.0375 mg/cm^2), plasma PL-5 concentrations in all samples were below the lower limit of quantification.

- *Multiple-dose escalation study (Phase I, healthy subjects)*

In a randomized, double-blind, placebo-controlled, multiple-dose escalation study (n=24; two dose groups: 0.025 and 0.0375 mg/cm^2), PL-5 topical spray was safe and well-tolerated with twice-daily administration for seven consecutive days. All AEs were assessed as unlikely to be related to PL-5. After multiple dosing at 0.0375 mg/cm^2, plasma PL-5 concentrations in all samples were below the lower limit of quantification.

Phase II Clinical Trial in the U.S.

Following FDA authorization on March 3, 2022, a Phase II, multicenter, randomized, double-blind, placebo-controlled clinical trial was initiated in the U.S. to evaluate the efficacy and safety of PL-5 Spray in patients with mild diabetic foot ulcer infections, with wound infection control as the primary endpoint, and the study is currently ongoing. As of the Latest Practicable Date, three clinical trial sites have been initiated, and is expected to be finalized by the third quarter of 2028.

Material Communications with Competent Authorities

We submitted the Investigational New Drug ("**IND**") application in July 2014, and then obtained the approval (Acceptance No.: CXHL1400689-Ji; Approval No.: 2016L04635) from the NMPA on May 4, 2016. Following the completion of two Phase I clinical studies evaluating single and multiple doses in healthy subjects, a Type I meeting was held with the CDE on April 12, 2018, prior to the initiation of Phase II trials. This meeting primarily discussed and finalized the key design elements of the Phase IIa study, reaching consensus on aspects such as dose exploration, efficacy endpoints, the choice of active comparator, and open-label versus blinded design.

Upon completion of the Phase IIa trial, we submitted a request for a Type II meeting via the Applicant Window to discuss the design of the Phase IIb study, to which the CDE provided a written response confirming the proposal. After the Phase IIb trial was completed, the company requested another Type II meeting via the Applicant Window — an End-of-Phase II (EOP2) meeting — to present the accumulated clinical data to the CDE, discuss the design of the pivotal Phase III clinical trial, and explore the possibility of conditional approval. The aim was to seek the CDE's opinions and recommendations regarding conditional market approval, and the agency subsequently provided a written reply.

On October 19, 2022, a Type II meeting was held with the CDE prior to the initiation of the pivotal Phase IIIb clinical trial. During this meeting, we sought the CDE's advice on several key issues, including whether to conduct pharmacokinetic studies in Phase IIIb, the use of a placebo-controlled design, the selection of primary efficacy endpoints, and sample size calculation. A mutual agreement was reached with the CDE on these matters.

On July 13, 2023, we held a pre-New Drug Application (pre-NDA) meeting with the CDE. The CDE recommended completing the Phase IIIb clinical trial before proceeding with the NDA submission for this product, in light of the need to assess whether PL-5 would affect wound healing, and thereby, to further confirm that patients would derive an overall clinical benefit from the treatment. Subsequently, on September 18, 2023, a Type II meeting was conducted with the CDE during the pivotal clinical trial phase, focusing primarily on discussions related to pharmaceutical development, where consensus was also achieved.

All the mentioned clinical research activities in China have now been completed. The NDA was submitted for registration and was accepted by the NMPA on December 23, 2024. Following this, registration inspections were conducted in accordance with the review and approval process. During the review process, the registration testing was conducted by the National Institutes for Food and Drug Control, and the CDE provided standardization comments on certain descriptions in our proposed quality standards by reference to the Chinese Pharmacopoeia. Such comments were primarily wording-level revisions and did not involve additional studies, supplementary experiments or submission of new substantive technical data.

On June 17, 2026, we received the NDA approval for PL-5 (Peceleganan Spray, 普亦克®) from the NMPA, for the treatment of secondary infection of burn wounds.

As of the date of this document, we also have conducted multiple communications and technical exchanges with the FDA regarding PL-5 topical spray, including a Type B (Pre-IND) teleconference on July 13, 2021 to discuss our development plan for secondary wound infections. In such communications, the proposed indication was refined to mild infection of diabetic foot ulcers, which is within the scope of secondary wound infections, and the FDA provided comments on clinical strategy and trial design.

In March 2022, we received the FDA's IND approval for a Phase II clinical trial without requiring a separate U.S. Phase I clinical trial, as Phase I clinical trial data generally provide preliminary overall safety information for the product, which had already been established in our prior clinical trials in China. The data submitted to the FDA mainly consisted of CSRs, with only a very limited amount of de-identified individual safety data, and the relevant transfer was completed in January 2022, when the relevant PRC laws had only recently come into effect and the detailed implementation rules for cross-border data transfer were not yet clear, and there were no clear and specific enforceable provisions in practice regarding the specific compliance pathways and procedures for cross-border data transfer, as the detailed implementation rules and regulatory guidance had not yet been developed or clarified at the relevant time. The Company has ceased such transfer after completion of the FDA submission and will comply with the applicable PRC requirements for any future cross-border data transfer.

PL-5 MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED

PL-3301 (α-Helical Antimicrobial Peptide), Our Key Product

Overview

According to Frost & Sullivan, PL-3301 is potentially world's first α-helical antimicrobial peptide-based drug formulated as a thermosensitive oral gel for the treatment of oropharyngeal candidiasis ("**OPC**") and inhalant for the treatment of pulmonary infection. According to Frost & Sullivan, as a potential first-in-class, peptide-based broad-spectrum antifungal and antibacterial drug, PL-3301 was designed *de novo* and independently developed by us. PL-3301 is designed with a differentiated mechanism of action and a novel peptide sequence, and is formulated for local administration. It is intended to achieve therapeutic effects by a unique dosage form at a relatively low dose, and has demonstrated potent biological activity, high specificity, significant efficacy and a favorable safety profile in preclinical and clinical studies. This product is designed to act directly at the site of OPC infection, and based on its mechanism of action, the development of resistance to membrane active peptides whose sole target is the cytoplasmic membrane is not expected.

As of the Latest Practicable Date, we are advancing PL-3301 through parallel development in China and the U.S., (i) for OPC indication, (a) in China, we have completed Phase I clinical trials and expect to initiate a Phase II clinical trial in September 2026; and (b) in the U.S., the IND for OPC indication has been cleared, and we are pursuing ex-China partnerships to support the conduct of U.S. clinical trials; and (ii) for pulmonary infection indication, preclinical development is ongoing with an IND submission currently expected to be submitted by December 2027. Subject to successful clinical outcomes and relevant regulatory approvals, PL-3301 is expected to support a potential commercial launch within the next five years, alleviate the disease burden for a broad patient population, and offer an innovative solution to the risks of antibiotic resistance and misuse.

Drug Design and Mechanism of Action

PL-3301 was designed based on a similar concept to PL-5, while incorporating a distinct peptide sequence, and it exhibits a mechanism of action that is broadly consistent with that of PL-5.

Market Opportunity and Competition

Overview of Oropharyngeal Candidiasis

OPC is a fungal infection of the oral cavity and the oropharynx, primarily caused by *Candida* species, most commonly *Candida albicans*. OPC typically presents with white plaques or patches on the tongue, inner cheeks, palate and/or the oropharyngeal mucosa, and may be accompanied by mucosal erythema, pain and a burning sensation; in more severe cases, dysphagia may occur. Common risk factors include immunosuppression, diabetes, and the use of antibiotics or corticosteroids, according to Frost & Sullivan.

Prevalence and Market Size of Oropharyngeal Candidiasis

According to Frost & Sullivan, the global prevalence of OPC was 580.9 million in 2025, including 81.7 million in China, and is expected to increase to 622.5 million globally and 85.3 million in China by 2030, indicating a sizeable and expanding patient population. The global market size for OPC drugs was approximately USD4.1 billion in 2025, while the Chinese market amounted to approximately USD0.5 billion in the same year, reflecting a meaningful commercial opportunity. The global and China markets are expected to grow to approximately USD4.6 billion and USD0.5 billion, respectively, by 2030, representing steady growth momentum and continued demand for OPC therapies. For details, please see "Industry Overview — Oropharyngeal Candidiasis Drug Market."

Current Treatment Options and Unmet Needs

According to Frost & Sullivan, the current treatment options for OPC mainly include systemic oral fluconazole and topical therapies such as clotrimazole troches and oral nystatin: fluconazole inhibits ergosterol synthesis and is clinically superior to nystatin, with mycological efficacy better than clotrimazole, but resistance has been emerging in non-albicans species and its systemic exposure may be associated with gastrointestinal side effects and potential liver enzyme elevation; clotrimazole and nystatin are primarily topical with minimal systemic absorption and generally favourable tolerability, yet clotrimazole shows slightly lower clinical efficacy than fluconazole and lower mycological efficacy, while nystatin has lower and more variable clinical and mycological efficacy, and both typically require multiple daily dosing, which may limit adherence. Key unmet clinical needs therefore include achieving more consistent and higher clinical and mycological efficacy while maintaining low systemic exposure and good tolerability, improving coverage against non-albicans infections and addressing potential resistance risk, and reducing dosing frequency by enhancing mucosal retention and resistance to saliva washout to improve adherence and real-world outcomes.

Competitive Landscape

As of the Latest Practicable Date, according to Frost & Sullivan, (i) only three antifungal originator drugs have been approved for the treatment of OPC in each of the United States (miconazole, posaconazole, fluconazole) and China (posaconazole, itraconazole, fluconazole); and (ii) no clinical-stage pipeline candidates have been identified overseas with OPC, and only one active pipeline candidate (PL-3301) has been identified in China. For details, please see "Industry Overview — Oropharyngeal Candidiasis Drug Market."

Key Advantages

PL-3301 is a potential first-in-class thermosensitive gel formulation developed for the treatment of OPC, according to Frost & Sullivan.

Targeting High-Burden Unmet Clinical Need

In addition to the large patient population as demonstrated above, OPC can cause extensive oral lesions, with severe cases leading to mucosal infection and pain that may impair eating or drinking. The disease severely affects immunocompromised populations, including cancer patients post-radiotherapy or chemotherapy, AIDS patients, and the elderly and children, with infection rates reaching 80% in post-chemotherapy leukemia and 96% in AIDS patients. The pathogen, *Candida albicans*, is a normal oral commensal that becomes pathogenic when host immunity weakens, leading to mucosal erosion and potential systemic complications. Current antifungal treatments may be constrained by emerging drug resistance and the oral cavity's continuous salivary flow, which may reduce local drug retention and exposure at the infection site, according to Frost & Sullivan.

Innovative Thermosensitive Drug Delivery System

PL-3301's peptide-based gel is liquid at room temperature but instantly solidifies at 30–35 °C upon contact with the oral mucosa. This forms a stable, adherent coating over lesions. Based on our preliminary data, drug remnants were still detectable at the mucosa site 24 hours after application, even while patients ate and drank freely. This technology enables long-lasting, local administration of the drug directly at the infection site.

Potent and Broad-Spectrum Antimicrobial Activity

The gel has demonstrated more than 90% inhibition of *Candida albicans* in animal studies, confirming its potent therapeutic potential. Its active peptide is effective against both Gram-positive and Gram-negative bacteria, indicating broad-spectrum antimicrobial activity suitable for mixed or complex infections.

Engineered to Overcome Traditional Drug Limitations

PL-3301 is designed to overcome two major limitations of conventional and peptide-based therapies:

(i) No Inducible Drug Resistance: The antimicrobial peptide (AMP) attacks the microbial cell membrane — a structure unchanged throughout evolution — making it theoretically impossible for pathogens to develop resistance. This contrasts with most antibiotics that target specific, mutable enzymes. Our resistance-induction experiments indicate that no resistance was observed against this peptide-based mechanism under the tested experimental conditions.

(ii) Resistance Against Protease Degradation: The peptide is engineered by replacing standard L-amino acids with D-amino acids. This reverses its chirality, rendering it protease-resistant in oral environment while retaining full bioactivity, thereby increasing the drug's stability in the oral cavity and prolonging its duration of action.

Favorable Safety and Stability Profile

Our product candidate is designed for topical administration and is intended to act primarily at the site of application, with the aim of reducing systemic exposure and thereby supporting a favourable systemic safety profile. Our preclinical data also show low systemic exposure following topical administration, which may help reduce systemic impact. In addition, our peptidomimetic design does not require artificial cyclisation and is intended to preserve the natural secondary structure, thereby supporting high selectivity and stability, as well as consistent and reproducible biological activity across different formulations, which may facilitate subsequent development and scale-up.

Summary of Clinical Trial Results

Currently, we have completed a Phase Ia clinical trial and a Phase Ib clinical trial of PL-3301 Oral Gel in China. In addition, we also have been granted an approval for a Phase I clinical trial in the U.S. The table below summarizes the clinical development of PL-3301 Oral Gel.

Summary of Clinical Development of PL-3301 Oral Gel

Phase	No.	Objective	Name	Participants	Dosage/ Exposure	Timespan	Status
I . . .	JSPL-PL-3301-101	Safety, PK	A Phase I clinical trial evaluating the safety, tolerability, and pharmacokinetic characteristics of PL-3301 AMP oral gel following a single topical oral administration in healthy adult study participants	Healthy adult	Single administration, crossover administration	October 2025 – March 2026 (LPO), June 2026 (CSR)	Completed in China
I . . .	JSPL-PL-3301-102	Safety, PK	A single-center, randomized, double-blind, dose-escalation, placebo-controlled Phase I clinical trial evaluating the safety, tolerability, and pharmacokinetic characteristics of PL-3301 AMP oral gel following multiple topical oral administrations in healthy adult study participants	Healthy adult	Multiple administrations: three times daily (q8h) for 7 consecutive days	May 2026 – July 2026 (LPO), September 2026 (CSR expected)	Completed in China
I . . .	JSPL-PL-3301-103	Safety, PK	A Phase I clinical trial evaluating the safety, tolerability, and pharmacokinetic characteristics of PL-3301 AMP oral gel following single and multiple topical oral administrations in healthy adult study participants	Healthy adult	SAD: Single Administration MAD: Multiple Administrations for 7 Consecutive Days	N/A	IND 170407; Phase I clinical trial application completed, SMP obtained in the U.S.

Notes: "Clinical trial completion" generally refers to the date on which the last subject completes the final protocol-specified visit or procedure in the relevant clinical trial, commonly understood as last patient out, last subject last visit or last participant last visit, with reference to ClinicalTrials.gov, the ICH E3 guideline and ChiCTR clinical trial registration practice."

The Phase Ia clinical trial and Phase Ib clinical trial of PL-3301 in the Chinese Mainland were designed as two early-stage clinical trials with different dosing regimens, and formed part of our planned early clinical development program for PL-3301. Although the two trials were submitted and conducted under two separate clinical trial numbers, they were submitted to, and approved by, the NMPA at the same time. Accordingly, the Phase Ib clinical trial was not an additional trial subsequently initiated upon completion of the Phase Ia clinical trial, nor was it conducted in response to any requirement or recommendation made by the NMPA after the Phase Ia clinical trial.

Specifically, the Phase Ia clinical trial primarily evaluated the safety, tolerability and pharmacokinetic characteristics of PL-3301 following a single topical oral administration in healthy adult subjects, while the Phase Ib clinical trial further evaluated such characteristics following multiple topical oral administrations in healthy adult subjects. The two trials therefore had distinct but complementary objectives in the early clinical development of PL-3301.

Phase Ia Clinical Trial in China

Trial Status

This trial was initiated in October 2025, and the LPO was achieved in March 2026, with CSR completed in June 2026.

Trial Design

This clinical trial is a randomized, double-blind, dose-escalation, and placebo-controlled study.

- **Enrollment and dosing regimen.** We enrolled 54 healthy adult participants. 52 participants received at least one dose of PL-3301 or placebo and were included in the FAS and SS, and 51 participants completed the trial. 46 participants were included in the PK concentration set and PK parameter set. Participants were enrolled sequentially into six single-dose cohorts of 2 mg, 4 mg, 8 mg, 12 mg, 16 mg and 20 mg. PL-3301 oral gel or placebo was administered locally to the buccal mucosa, with the number of sprays adjusted to achieve the target dose. The 4 mg and 8 mg cohorts adopt a two-period crossover design with a six-day washout period, while the 12 mg, 16 mg, and 20 mg cohorts include placebo controls. No dose escalation stopping criterion was met, and dose escalation was not suspended or terminated for safety reasons.
- **Key eligibility criteria.** (i) Key inclusion criteria include: (a) healthy male or female adults aged 18 to 50 years; (b) protocol-specified body weight and BMI requirements; (c) clinically acceptable findings in vital signs, physical examination, laboratory tests, 12-lead ECG and chest X-ray; (d) negative virology results; and (e) compliance with protocol-required contraception measures. (ii) Key exclusion criteria include: (a) clinically significant diseases or oral conditions that might affect study participation or oral dosing; (b) recent surgery, substantial blood loss, concomitant medications or prior trial participation; (c) smoking, alcohol, caffeine or restricted food intake above protocol-defined limits; and (d) allergy to the study drug or its components, pregnancy, lactation, history of substance and alcohol abuse.
- **Primary and secondary endpoints.** The primary endpoints are safety and tolerability following single local oral administration, including AEs, reported symptoms, and changes in laboratory tests, 12-lead ECG, vital signs, physical examination and local oral examination findings. The secondary endpoints are plasma PK parameters and salivary PK parameters, including Cmax, Tmax, t1/2, AUC0-t and other applicable PK measures.
- **Safety and Tolerability.** Among the 46 participants who received PL-3301, 14 participants (30.4%) experienced 21 TEAEs, and 12 participants (26.1%) experienced 19 TRAEs. No AEs were reported in the placebo group.

  The more frequently reported TEAEs were sinus bradycardia in five participants (10.9%), increased basophil percentage in two participants (4.3%) and oral hypoesthesia in two participants (4.3%). All TRAEs were Grade 1, and the vast majority resolved without medical intervention.

There were no SAEs, Grade 3 or higher TEAEs or TRAEs, AEs resulting in dosing interruption or death, or TRAEs resulting in permanent discontinuation or withdrawal from the trial. One participant in the 8 mg cohort experienced a Grade 2 infective febrile event and withdrew from the trial. The investigator considered this event possibly unrelated to the study product, and the participant subsequently recovered.

In the oral irritation assessment, more than 90% of participants had an overall score of at least 50, indicating favorable oral acceptability. Overall, a single topical oral dose of PL-3301 was well tolerated and demonstrated a favorable safety profile across the evaluated dose range of 2 mg to 20 mg.

- **Pharmacokinetic Results.** Following a single dose of PL-3301, plasma concentrations in all dose cohorts were BQL, indicating low systemic exposure following topical oral administration.

  In saliva, PL-3301 reached its peak concentration at the first post-dose sampling time point, and Tmax ranged from approximately 0.146 to 0.177 hours. The mean residence time was approximately 1.62 to 2.42 hours, indicating a degree of local retention in the oral cavity. No clear dose-dependent relationship was observed between the administered dose and salivary exposure (Cmax & AUC) to PL-3301.

  At the 4 mg dose level, bilateral administration, as compared with unilateral administration, resulted in an approximately 11.5% lower mean Cmax and approximately 13.7% and 14.0% higher AUC_{0-t} and AUC_{0-inf}, respectively. At the same 8 mg dose level, the 1% formulation, as compared with the 0.5% formulation, resulted in an approximately 89.3% higher mean Cmax and approximately 66.7% and 66.0% higher AUC_{0-t} and AUC_{0-inf}, respectively.

  Urinary PL-3301 concentrations were low in participants receiving 8 mg or 20 mg PL-3301, and urinary pharmacokinetic parameters could not be calculated, indicating limited renal excretion.

Phase Ib Clinical Trial in China

Trial Status

This trial was initiated in May 2026, and the LPO was achieved in July 2026. The CSR is currently expected to be finalized by September 2026.

Trial Design

This clinical trial is a single-center, randomized, double-blind, dose-escalation and placebo-controlled study in healthy adult participants.

- **Enrollment and dosing regimen.** This study enrolled and randomized 21 participants, of whom 20 received PL-3301 or placebo. These 20 participants were allocated to two multiple-dose cohorts, with ten participants in each cohort, including eight in the PL-3301 group and two in the placebo group, with male and female participants equally represented. PL-3301 oral gel or placebo is administered locally to the bilateral buccal mucosa three times daily at eight-hour intervals from Day 1 to Day 6, with one additional morning dose on Day 7. Two dose levels are planned, namely 6 mg and 12 mg per administration, with the number of sprays adjusted to achieve the target dose. Dose escalation and any further dose exploration are determined based on cumulative safety and PK data.
- **Key eligibility criteria.** (i) Key inclusion criteria include: (a) healthy male or female adults aged 18 to 50 years; (b) body weight of at least 50.0 kg for males or 45.0 kg for females and BMI of 19.0 to 26.0 kg/m^2; (c) clinically acceptable findings in vital signs, physical examination, laboratory tests, 12-lead ECG and chest X-ray; (d) negative virology test results; and (e) compliance with protocol-required contraceptive requirements, where applicable. (ii) Key exclusion criteria include: (a) clinically uncontrolled conditions, psychiatric disorders or oral pathological conditions that may affect study participation or oral administration; (b) recent surgery, substantial blood loss, blood transfusion, recent use of medications, or recent participation in another clinical trial; (c) smoking, alcohol, caffeine or restricted food intake above protocol-defined thresholds, or inability to abstain during the

study; and (d) allergy to the investigational product or its components, pregnancy, lactation, history of substance or alcohol abuse, or any other condition considered by the investigator to make the patient unsuitable for the trial.

- **Primary and secondary endpoints.** The primary endpoints are safety and tolerability following multiple local oral administrations of PL-3301 oral gel, including AEs, reported symptoms, and changes in laboratory tests, 12-lead ECG, vital signs, physical examination and local oral examination findings. The secondary endpoints are plasma PK parameters and salivary PK parameters following multiple dosing. Exploratory endpoints include the effect of PL-3301 oral gel on oral mucosa and oral microbiota, as well as its immunogenicity.

Phase I Clinical Trial in the U.S.

This Phase I clinical trial will be a randomized, double-blind, placebo-controlled, single- and multiple-ascending-dose study in healthy adult participants. The study will consist of two parts, namely a SAD part and a MAD part. In the SAD part, approximately 40 participants will be enrolled. In the MAD part, approximately 24 participants will be enrolled. PL-3301 oral gel or placebo will be administered via the buccal mucosa, and dose escalation will proceed based on the review of cumulative safety and available PK data by the safety monitoring committee. The primary endpoints will be safety and tolerability following buccal administration of PL-3301 oral gel, including dose-limiting toxicities, maximum tolerated dose, AEs, clinical laboratory evaluations, vital signs, physical examination findings, local oral cavity examination findings and ECG results.

In light of the substantial funding requirements associated with U.S. clinical development, we are carefully assessing the optimal development strategy for PL-3301 in the U.S., including potential business development collaborations with suitable partners. We also believe that additional clinical data and regulatory feedback from our clinical development in China may further support the design of future U.S. clinical trials and help reduce clinical development risks. As such, we have not yet commenced clinical trials of PL-3301 in the U.S., as of the Latest Practicable Date.

Selected Preclinical Data

Based on preclinical studies, PL-3301 is an antimicrobial peptide that exerts antifungal activity by disrupting fungal cell membranes, demonstrating potent *in vitro* and *in vivo* efficacy against *Candida*, including fluconazole-resistant strains, with inhibition of biofilm formation. Following buccal administration, systemic exposure is low, distribution is mainly in the digestive tract with high plasma protein binding, and nonclinical evaluations showed negative genotoxicity, overall good local tolerance and safety profile under repeated dosing.

Material Communications with Competent Authorities

In the U.S., we (i) submitted the IND application on May 17, 2024; and then (ii) received a letter from the U.S. FDA on June 14, 2024, stating that we may proceed with our proposed clinical trial (IND 170407).

In China, we (i) submitted the IND application on April 10, 2025; and then (ii) obtained the IND approvals for our Phase Ia and Ib clinical trials (Approval Nos.: 2025LP01722, 2025LP01723) from the NMPA on July 3, 2025. According to these approval notices for PL-3301, as well as the applicable regulation and registration requirements, it is required to communicate with the CDE after completion of the Phase II clinical trial and before commencing the Phase III clinical trial, and a Pre-NDA meeting is also required prior to submission of the NDA application.

As of the Latest Practicable Date, we have not received any material objections to our clinical development plans from the relevant regulatory authorities.

PL-3301 MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED

PL-18 (α-Helical Antimicrobial Peptide), Our Key Product

Overview

PL-18 is an α-helical AMP formulated as a vaginal suppository or gel for local gynecological administration. While its antimicrobial profile supports potential applications in colpomycosis, bacterial vaginitis, and mixed vaginitis, our current clinical trial approvals are focused on vulvovaginal

candidiasis ("**VVC**") due to the requirements of CDE. Similar to our core product PL-5, PL-18 also exerts its antimicrobial effects primarily through the "Membrane Discrimination Mechanism", whereby its amphipathic α-helical structure selectively interacts with microbial cell membranes, leading to membrane disruption and pathogen death.

As the most common form of colpomycosis, VVC, formerly known as mycotic vaginitis, is primarily caused by yeasts, with *Candida albicans* being the predominant pathogen. According to Frost & Sullivan, VVC is the second most common cause of vaginitis after bacterial vaginitis, with approximately 75% of women experiencing at least one episode in their lifetime and 40%~45% developing recurrent infections. Clinically, VVC is characterized by symptoms including vulvar itching, burning sensation, dysuria and dyspareunia, with typical findings of vulvar erythema, adherent white plaques and thick, curd-like vaginal discharge. Current treatments mainly rely on azole antifungal agents, which are subject to limitations such as recurrence, reduced efficacy against non-albicans species and lack of activity against bacterial pathogens in mixed vaginitis, underscoring the need for locally administered therapies with broader antimicrobial coverage such as PL-18.

For suppository formulation, we have (i) completed a Phase I clinical trial in Australia, (ii) completed a Phase I clinical trial in China, (iii) completed a Phase Ib/II clinical trial in China and (iv) acquired an approval for a Phase II clinical trial from the FDA. For gel formulation, we expect to initiate a Phase II clinical trial in China by March 2027, subject to CDE's approval. The current clinical trials for PL-18 are specifically focused on VVC as an indication, according to the requirements of CDE. However, considering its potential to be effective against a broad range of bacteria as well, we might plan to explore and develop additional indications in the future. But the subsequent steps will primarily depend on the specific indications officially approved by the CDE.

Drug Design and Mechanism of Action

The design concept of PL-18 is generally consistent with that of PL-5, while it is based on a distinct peptide sequence. The mechanism of action for PL-18 is also based on the Membrane Discrimination Mechanism.

Market Opportunity and Competition

Overview of Vulvovaginal Candidiasis

Vulvovaginal candidiasis ("**VVC**") is a fungal infection caused by the overgrowth of *Candida* species (most commonly *Candida albicans*) in the vulva and vagina. VVC is common, with approximately 75% of women experiencing at least one episode in their lifetime and approximately 40%~45% experiencing at least two episodes; uncomplicated VVC accounts for approximately 49%, and recurrent VVC ("**RVVC**") accounts for approximately 14.95%, according to Frost & Sullivan.

Prevalence and Market Size of Vulvovaginal Candidiasis

According to Frost & Sullivan, the prevalence of VVC increased from 445.0 million globally and 78.8 million in China in 2020 to 470.2 million globally and 80.0 million in China in 2025, and is expected to reach 494.2 million globally and 80.8 million in China in 2030. According to Frost & Sullivan, the global VVC drugs market was approximately USD5.6 billion in 2025 and is expected to reach approximately USD6.1 billion in 2030, while the VVC drugs market in China was approximately USD0.7 billion in 2025 and is expected to reach approximately USD0.7 billion in 2030.

Current Treatment and Unmet Needs

According to Frost & Sullivan, current treatment options for VVC mainly include oral azoles (such as fluconazole and itraconazole), topical azoles (such as clotrimazole or miconazole), and newer agents such as ibrexafungerp and oteseconazole, each with different efficacy, safety and convenience profiles. Fluconazole and itraconazole inhibit ergosterol synthesis and offer convenient oral administration, but may be associated with gastrointestinal AEs, elevations in liver enzymes, and emerging resistance in non-albicans species. Topical azoles also inhibit ergosterol synthesis and are generally well tolerated, but are typically administered as a 1-7 day topical regimen and may have reduced activity against certain non-albicans species. Ibrexafungerp, a triterpenoid glucan synthase inhibitor, provides a non-azole oral option with activity against azole-resistant and non-albicans species, although gastrointestinal tolerability and dosing considerations may affect its use in some patients.

Oteseconazole, a next-generation azole designed for improved selectivity, remains within the azole class and involves a relatively complex dosing regimen, primarily for recurrent VVC rather than acute infection, according to Frost & Sullivan.

Accordingly, there remains an unmet medical need for VVC therapies that can (i) address real-world clinical scenarios where fungal infections may coexist with other vaginal infections, by providing coverage that reduces the need for multiple or sequential therapies and simplifies management in patients with complex or recurrent presentations; (ii) deliver effective local anti-infective activity with minimal systemic exposure, thereby improving tolerability and reducing systemic safety concerns; (iii) minimise irritation associated with traditional topical formulations to support adherence in real-world use; and (iv) offer convenient, short-course local administration with sustained local exposure, so as to reduce treatment complexity and patient burden and, in turn, improve compliance and clinical outcomes, particularly given the persistently high recurrence of VVC.

Competitive Landscape of Vulvovaginal Candidiasis

Based on publicly available information and Frost & Sullivan's analysis, as of the Latest Practicable Date, the overseas identified programmes include BGY-1601 (Nexbiome Therapeutics; Phase I/II; indicated for bacterial vaginitis and VVC) and PL-18 (ProteLight; targeting Membrane Discrimination Mechanism; Phase I; VVC). In China, the identified programmes include WXSH0102 (Cisen Pharmaceutical; Phase II; VVC), PL-18 (ProteLight; targeting Membrane Discrimination Mechanism; Phase I/II; VVC) and GLS-W1100 (Hangzhou Grand Biologics; Phase I; VVC). Within this competitive landscape, PL-18 is differentiated by its proposed dual activity against bacterial and fungal pathogens through targeting Membrane Discrimination Mechanism, which is designed to address polymicrobial infections and reduce the need for combination therapy. PL-18 is also the only peptide-based anti-infective drug among the identified China pipelines for the treatment of VVC, and its localised administration is designed to support a favourable tolerability profile with minimal systemic exposure.

Key Advantages

Dual-Target Broad-Spectrum Efficacy.

PL-18's primary advantage is its unique ability to simultaneously combat both bacterial and fungal pathogens. Unlike conventional agents that target only one type of microbe, PL-18 disrupts the fundamental structure of microbial cell membranes. This makes it effective for complex infections like mixed gynecological infections (e.g., bacterial vaginitis with VVC), where current single-target therapies fail, according to Frost & Sullivan.

Resistance-proof Mechanism.

The drug employs a theoretically resistance-proof strategy. By attacking the evolutionarily conserved cell membrane — a structure microbe cannot easily alter — it avoids the primary resistance mechanisms that plague traditional antibiotics (which target mutable proteins and enzymes). *In vitro* resistance-induction experiments confirm that bacteria do not develop resistance against this peptide-based mechanism, addressing the global crisis of multidrug-resistant pathogens.

Drug Stability and Topical Safety.

Through advanced molecular design, PL-18 overcomes the key limitations of natural antimicrobial peptides. By incorporating D-amino acids, it achieves complete protease resistance while maintaining full bioactivity. This molecular design ensures high selectivity and stable secondary structure without artificial cyclization. Formulated for local/topical delivery, it minimizes systemic exposure, resulting in a highly favorable safety profile with low systemic toxicity for applications like wound care and intravaginal use.

Clinical Development Plan

In China, subject to the regulatory approval for the formulation change, we expect to initiate a Phase II clinical trial for PL-18 Gel in the treatment of VVC by March 2027.

In the U.S., we expect to pursue ex-China partnerships to collaborate on and execute the clinical development of PL-18 Gel. As of the Latest Practicable Date, we have not identified such partner or entered into any collaborative arrangement.

Summary of Clinical Trial Results

As of the Latest Practicable Date, for PL-18 Vaginal Suppositories, we have completed (i) a Phase I clinical trial in Australia and (ii) a Phase I clinical trial and a Phase Ib/II clinical trial in China. In addition, the FDA has cleared our Phase II clinical trial based on our Phase I clinical data generated in Australia and China. The table below summarizes the clinical development of PL-18.

Summary of Clinical Develoment of PL-18

Phase	No.	Objective	Name	Participants	Dosage/ Exposure	Timespan	Status
I	JSPL-PL-18-101	Safety, PK	A single-center, randomized, double-blind, dose-ascending, placebo-controlled phase I clinical trial evaluating the safety, tolerability, and pharmacokinetic characteristics of PL-18 AMP vaginal suppository following single and multiple administrations in healthy adult female volunteers	Healthy adult female	Single and multiple administration	June 2022 – March 2024 (LPO), July 2024 (CSR)	Completed in Australia
I	JSPL-PL-18-102	Safety, PK	a single-center, randomized, double-blind, dose-ascending, placebo-controlled phase I clinical trial evaluating the safety, tolerability, and pharmacokinetic characteristics of PL-18 AMP suppository following a single administration in healthy adult female volunteers	Healthy adult female	Single administration	March 2023 – July 2023 (LPO), November 2023 (CSR)	Completed in China
Ib+II	JSPL-PL-18-103	Safety, efficacy	A randomized, double-blind, controlled phase Ib/II clinical trial evaluating the safety, tolerability, pharmacokinetic characteristics, and efficacy of PL-18 AMP suppository following multiple administrations in patients with vulvovaginal candidiasis (VVC)	patients with uncomplicated vulvovaginal candidiasis (VVC)	Multiple administration, dose escalation trial	Phase Ib: September 2023 – May 2024 (LPO) Phase II: September 2024 – October 2025 (LPO), April 2026 (CSR)	Completed in China
II	JSPL-PL-18-201	Safety, efficacy	A randomized, double-blind, placebo-controlled phase II clinical trial evaluating the safety and tolerability of PL-18 AMP suppository following multiple administrations in patients with vulvovaginal candidiasis (VVC)	patients with uncomplicated vulvovaginal candidiasis (VVC)	Multiple administration	NA	IND 171457; Phase II clinical trial application completed and SMP obtained in the U.S.

Notes: "Clinical trial completion" generally refers to the date on which the last subject completes the final protocol-specified visit or procedure in the relevant clinical trial, commonly understood as last patient out, last subject last visit or last participant last visit, with reference to ClinicalTrials.gov, the ICH E3 guideline and ChiCTR clinical trial registration practice."

Phase Ib/II in China

In adopting a Phase Ib/II clinical trial design in patients, rather than conducting a standalone Phase I clinical trial in healthy subjects in China that comprised both single-dose and multiple-dose portions, we took into account that (i) early safety, tolerability and PK data had already been obtained from the Phase I clinical trial in healthy subjects in Australia under both single-dose and multiple-dose settings; and (ii) in China, the CDE had allowed us to enroll patients at the Phase I clinical stage to obtain preliminary efficacy data, thereby improving clinical development efficiency.

In this regard, the Phase I clinical development plan in China was designed as a stepwise clinical development strategy, under which the single-dose assessment was conducted in healthy subjects and the subsequent multiple-dose assessment was conducted directly in patients as part of the Phase Ib/II clinical trial.

- **Trial design:** This trial is a multicenter, randomized, double-blind, placebo-controlled Phase Ib/II trial conducted in China to evaluate the safety, tolerability and pharmacokinetics of PL-18 vaginal suppositories in patients with uncomplicated VVC. A total of 230 subjects were enrolled (30 in Phase Ib and 200 in Phase II) and randomized to receive PL-18 (2.5 mg, 5 mg or 10 mg) or placebo, administered once daily for six consecutive days.

- **Key eligibility criteria.** (i) Key inclusion criteria include: (a) female patients aged 18 to 45 years in the Phase Ib stage, or 18 to 50 years in the Phase II stage; (b) diagnosis of uncomplicated VVC based on protocol-specified clinical and laboratory criteria; and (c) non-pregnant patients willing to comply with protocol requirements regarding sexual activity restrictions, avoidance of intravaginal products and contraception during the study, as well as no recent use of oral or topical agents for VVC treatment. (ii) Key exclusion criteria include: (a) complicated VVC, other causes of vulvovaginal discomfort, or recent genitourinary infections; (b) clinically significant viral, hepatic, metabolic, cardiovascular or other uncontrolled systemic diseases, psychiatric disorders, or abnormal protocol-specified laboratory or ECG findings; (c) recent use of antibiotics, antifungal agents, immunosuppressants or other prohibited medications, recent participation in other clinical studies, or recent vaginal or pelvic procedures; and (d) pregnancy, lactation, known or suspected hypersensitivity to the study drug or its components, caffeine or restricted food intake above protocol-defined thresholds, history of substance and alcohol abuse or any other condition considered by the investigator to make the patient unsuitable for the trial.

Phase Ib Clinical Trial Results

- **Primary endpoint: safety and tolerability**

In the SS, 12 subjects reported 17 TEAEs in the Phase Ib stage, including three subjects in the 2.5 mg group, four subjects in the 5 mg group, three subjects in the 10 mg group and two subjects in the placebo group. The incidence of TEAEs in the PL-18 dose groups did not show an apparent increase as compared with placebo, nor did it show an apparent dose-dependent trend. All TEAEs in the Phase Ib stage were Grade 1 or Grade 2. No Grade 3 or above TEAEs, SAEs, TEAEs resulting in early withdrawal from the trial, or TEAEs resulting in death.

- **Key secondary endpoints: PK and preliminary efficacy**

Based on the FAS, VVC clinical scores decreased from baseline in all PL-18 dose groups at D13 and at 28 days after the last dose. For mycological outcomes, the *Candida* negative conversion rates at D13 were 62.5%, 37.5%, 50.0% and 83.3% in the 2.5 mg, 5 mg, 10 mg and placebo groups, respectively. At 28 days after the last dose, the corresponding rates were 75.0%, 25.0%, 50.0% and 50.0%, respectively.

Phase II Clinical Trial Results

- **Primary endpoint: clinical cure rate at D28**

Clinical cure was defined as disappearance of VVC symptoms and signs, namely a VVC clinical score of 0. Based on the FAS, the proportions of subjects achieving clinical cure at D28 were 28.6%, 38.8%, 34.7% and 26.0% in the 2.5 mg, 5 mg, 10 mg and placebo groups, respectively. The clinical cure rates in the 5 mg and 10 mg groups were numerically higher than that in the placebo group.

- **Key secondary endpoints**

Clinical Cure Rate at D13. Based on the FAS, at D13/early withdrawal, the proportions of subjects achieving clinical cure were 26.5%, 32.7%, 28.6% and 26.0% in the 2.5 mg, 5 mg, 10 mg and placebo groups, respectively. The clinical cure rate in the 5 mg group was numerically higher than that in the placebo group.

Mycological Cure Rate. Based on the FAS, at D13/early withdrawal, the mycological cure rates were 22.4%, 26.5%, 18.4% and 18.0% in the 2.5 mg, 5 mg, 10 mg and placebo groups, respectively. At D28, the mycological cure rates were 22.4%, 30.6%, 38.8% and 22.0%, respectively. The mycological cure rates in the 5 mg and 10 mg groups at D28 were higher than that in the placebo group.

Composite Efficacy Rate. Based on the FAS, at D13/early withdrawal, the composite efficacy rates were 10.2%, 16.3%, 12.2% and 8.0% in the 2.5 mg, 5 mg, 10 mg and placebo groups, respectively. The composite efficacy rates in all PL-18 dose levels at D13/early withdrawal were numerically higher than that in the placebo group. At 28 days after the last dose, the corresponding rates were 14.3%, 18.4%, 20.4% and 16.0%, respectively. The composite efficacy rates in the 5 mg and 10 mg groups at 28 days after the last dose were higher than that in the placebo group.

Clinical Response Rate. Based on the FAS, at D13/early withdrawal, the proportions of subjects achieving clinical response, defined as a reduction of at least 75% in VVC clinical score from baseline, were 49.0%, 55.1%, 53.1% and 42.0% in the 2.5 mg, 5 mg, 10 mg and placebo groups, respectively. At D28, the corresponding rates were 57.1%, 53.1%, 59.2% and 38.0%, respectively. The clinical response rates in all PL-18 dose groups were numerically higher than that in the placebo group.

Safety and Tolerability. Based on the SS, 89 subjects reported 135 TEAEs, including 27 subjects in the 2.5 mg group, 16 subjects in the 5 mg group, 23 subjects in the 10 mg group and 23 subjects in the placebo group. The incidence of TEAEs in the PL-18 dose groups did not show an apparent increase as compared with placebo, nor did it show an apparent dose-dependent trend. Most TEAEs were Grade 1 or Grade 2. One SAE, cholecystitis, occurred in the placebo group and was assessed by the investigator as unrelated to the study drug. No deaths were reported during the study.

***Phase I in China** (SAD; placebo-controlled)*

- **Trial design:** Single-center, randomized, double-blind, dose-ascending, placebo-controlled Phase I single-administration study in healthy adult female volunteers (n=42). Subjects were allocated to PL-18 1, 2.5, 5, 10, or 15 mg or placebo. Primary endpoints were safety, tolerability following a single dose, with serial plasma sampling. The secondary endpoints were PK parameters and vaginal microbiota modulation/Impact on vaginal flora.
- **Safety:** Generally well tolerated; TEAEs were predominantly CTCAE Grade 1–2. No Grade ≥3 TEAEs, deaths, SAEs, or AEs leading to early withdrawal. TEAE incidence in PL-18 groups was not significantly higher than placebo; no clear dose relationship.
- **PK:** Systemic exposure was low. Detectable plasma concentrations were observed at individual time points in some subjects in the 5 mg, 10 mg, and 15 mg cohorts, while concentrations in other samples were below the LLOQ (lower limit of quantification). Median Tmax was approximately 4–8 hours.

Phase II in the U.S.

This study received FDA IND approval on October 25, 2024. It is planned to be conducted in the U.S. to evaluate the efficacy and safety in approximately 150 VVC patients. As of the Latest Date, the study has not yet been initiated, and the sponsor is currently seeking international development partners for collaboration.

***Phase I in Australia** (SAD + MAD; placebo-controlled)*

- **Trial design:** Single-center, randomized, double-blind, placebo-controlled Phase I in healthy adult females (n=42). PL-18 vaginal suppository dose cohorts (1-15 mg) and placebo. Combined single ascending dose followed by multiple ascending doses: one single dose, then once-daily dosing for six consecutive days, with sentinel dosing at each dose level. Primary endpoints were safety, tolerability, and pharmacokinetics, with monitoring including PK sampling, physical exams, vital signs, labs, and ECG.
- **Safety:** Generally well tolerated; most TEAEs were CTCAE Grade 1–2. One subject (2.4%) in the 5 mg cohort had a Grade 3 ALT increase considered related. No deaths, SAEs, or important AEs; no clear dose-related trend; no significant increase during MAD.
- **PK:** Systemic exposure was low. Detectable plasma PL-18 concentrations were observed at individual time points in a limited number of subjects in the 10 mg and 15 mg cohorts; due to sparse and inconsistent detectability, PK parameters based on individual plasma profiles were not representative.

The data obtained from the Phase I clinical trial in Australia provided support for our subsequent application to the FDA to conduct a Phase II clinical trial of PL-18 in the U.S. For clarification, such Australian clinical trial data were not submitted to the NMPA as part of the IND application materials in China, but we have taken and will continue to take them into account, from a clinical development perspective, in designing clinical trial protocols to improve clinical development efficiency.

Material Communications with Competent Authorities

In China, we submitted the IND application in November 2022 and subsequently obtained the IND approval (Approval Nos.: CXHL2200882 to CXHL2200886) from the NMPA on January 13, 2023. According to these approval notices for PL-18 Vaginal Suppository, as well as the applicable regulation and registration requirements, it is required to communicate with the CDE after completion of the Phase

II clinical trial and before commencing the Phase III clinical trial, and a Pre-NDA meeting is also required prior to submission of the NDA application. We did not submit any Australian Phase I clinical trial data to the NMPA as part of the IND application materials for PL-18. For clarification, under the current drug clinical trial review and approval regime in China, clinical trial applications for new drugs are subject to one-time approval and are no longer subject to phase-by-phase application, review and approval, as set out in the Announcement on Several Policies for Drug Registration Review and Approval issued by the former China Food and Drug Administration on November 11, 2015 (Announcement No. 230 of 2015). Accordingly, the Phase Ib/II clinical trial of PL-18 in China was not separately applied for or separately approved after completion of the Phase I clinical trial in China, but formed part of the clinical development plan covered by the relevant IND approval.

In July 2026, following the CDE's preliminary review of the relevant materials regarding the proposed change of PL-18 from a suppository to a gel formulation, the CDE indicated that the formulation change should be submitted through the supplemental application procedure. This indicates that the change may be pursued under the existing IND without the need to submit a new IND application. This communication was conducted on the basis that the gel formulation would proceed directly into Phase II clinical development. The CDE did not require a new Phase I clinical trial for the gel formulation and recommended that the Phase II trial include a comparison with an existing therapy in addition to a placebo control. We expect to submit the supplemental application and supporting materials relating to the formulation change to the CDE by October 2026. Subject to regulatory approval, we expect to initiate a Phase II clinical trial of the PL-18 gel formulation by March 2027.

In Australia, the Phase I clinical trial for PL-18 Vaginal Suppository was reviewed by the ethics committee in March 2022 and formally approved in April 2022, leading to the initiation of a Phase I clinical trial. The relevant Clinical Trial Notification ("**CTN**") was submitted to the Therapeutic Goods Administration ("**TGA**") later in April 2022.

In the U.S., based on our Phase I clinical data generated in China and Australia, an application was submitted to the FDA in 2024, which granted approval (SMP approval) on October 25, 2024, authorizing the commencement of a Phase II clinical trial for PL-18 Vaginal Suppository.

As of the Latest Practicable Date, we have not received any material objections to our clinical development plans from the relevant regulatory authorities.

PL-18 MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED

PL-MD-333 (FGF19/FGF21 Inducer and Lipid Metabolism Modulator)

Overview

PL-MD-333 is a preclinical-stage oral peptidomimetic FGF19/FGF21 inducer and lipid metabolism modulator drug being developed for the treatment of obesity, metabolic dysfunction-associated steatohepatitis ("**MASH**"), and ulcerative colitis ("**UC**").

Key Advantages

Superior and Complementary Efficacy

The investigational compound PL-MD-333 presents a potentially superior efficacy and safety profile compared to standard therapies. A key distinguishing feature is its tissue-selective action; unlike semaglutide, which reduces both fat and muscle mass, PL-MD-333 preferentially reduces adipose tissue while preserving or even increasing lean muscle mass. In terms of potency, at a lower dose (20 mg/kg/day), PL-MD-333 leads to moderate and steady weight loss. At a higher dose level (40 mg/kg/day), the reduction in body weight was greater than that observed in the semaglutide group. Furthermore, its use in combination therapy with semaglutide shows promising additive or synergistic weight-loss effects. This combination not only yields significantly greater weight reduction than either monotherapy when initiated concurrently but also appears to prevent the weight-loss plateau observed with long-term semaglutide use.

Enhanced Safety and Patient Convenience

PL-MD-333 also exhibits a potentially improved safety and tolerability profile. In our preclinical study, at 20 mg/kg/day, PL-MD-333 appeared to result in less appetite suppression than semaglutide, which may enhance patient quality of life and adherence. Beyond safety, the drug offers significant convenience as an orally administered agent, providing a clear practical advantage over injectable GLP-1 agonists.

Broad Therapeutic Potential

The therapeutic potential of PL-MD-333 extends broadly across metabolic health. While initially targeted for obesity, ongoing studies suggest efficacy in MASH, hyperlipidemia, and other disorders of lipid metabolism, positioning it as a versatile candidate for a range of cardiometabolic conditions.

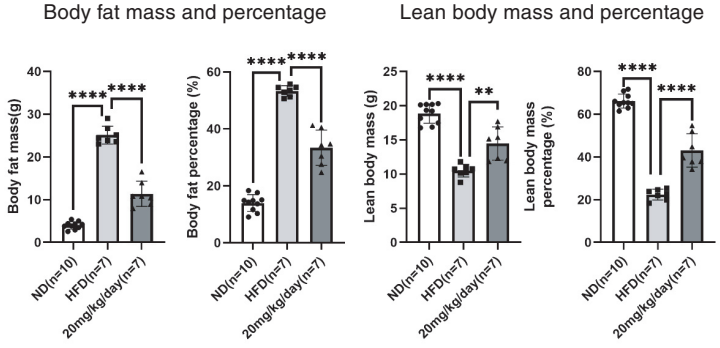
Clinical Development Plan

Our development strategy for PL-MD-333 is advancing across multiple indications. For obesity, the program is in the preclinical stage, with an IND application expected to be filed by March 2027, and IND-enabling studies have already commenced. Both UC and MASH indications are also in preclinical stage, with an IND application targeted for October 2027 and December 2027, respectively. Furthermore, we plan to expand into additional critical metabolic indications, including hyperlipidemia and other lipid metabolism disorders, with specific IND filing timelines to be determined.

Selected Preclinical Data

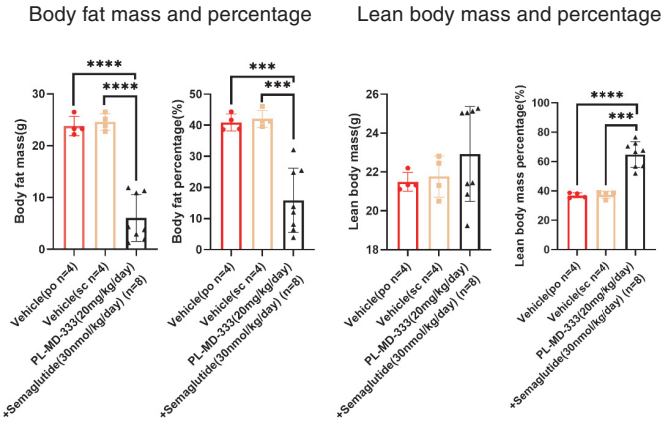
Obesity Indication

Monotherapy. In preclinical obesity mouse models, PL-MD-333 demonstrated beneficial effects on body weight and composition. Oral dosing of PL-MD-333 at 20 mg/kg/day for 50 days attenuated high-fat diet–associated body weight gain, with an approximate 26% lower mean final body weight versus the high-fat diet ("**HFD**") control group (P<0.001). Concurrently, mice receiving PL-MD-333 at 20 mg/kg/day for 50 days displayed a statistically significant increase in lean body mass percentage versus the HFD control group (P<0.001), likely attributable to preserved absolute lean mass amidreduced adiposities. Taken together, these findings indicate that PL-MD-333 may support favorable body composition outcomes in preclinical models of diet-induced obesity by reducing weight gain while increasing lean body mass percentage. The following charts illustrate body fat mass and lean body mass results of this study:



Note: "ND" refers to normal diet; "HFD" refers to high-fat diet; "body fat mass" refers to the mass of adipose (fat) tissue; "lean body mass" refers to non-fat body mass, including muscle, organs, bone, and body water.

Combination with Semaglutide. We also evaluated PL-MD-333 in combination with semaglutide in obesity mouse models. Compared with the vehicle control groups, the combination group (PL-MD-333 plus semaglutide) showed a statistically significant decrease in body weight (P<0.001). These data advocate for additional investigation of PL-MD-333 in combination with semaglutide. The following charts delineate body fat mass and lean body mass results from this study:



Note: "Vehicle" refers to the administered solvent without PL-MD-333; "p.o." denotes per os (oral) administration (oral gavage); "s.c." refers to subcutaneous injection.

PL-MD-333 MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED

PL-AC-2001 (Selective PARP-1 degrader)

Overview

PL-AC-2001 is a preclinical-stage oral selective PARP-1 degrader for the treatment of hematologic malignancies and solid tumors. According to Frost & Sullivan, it is potentially the first selective PARP-1 degrader developed using PROTAC technology.

Key Advantages

According to Frost & Sullivan, PL-AC-2001 offers a transformative approach by overcoming a key limitation of existing oncology treatments. Current PARP inhibitors (PARPi), such as Olaparib and Talazoparib, are standard-of-care drugs that function by blocking the enzymatic activity of PARP proteins, exploiting synthetic lethality in cancers with homologous recombination deficiencies. However, resistance to these catalytic inhibitors can emerge. As highlighted in publications such as *Nature Reviews Drug Discovery* (2021) and *Science Translational Medicine* (2022), a PARP-1 degrader like PL-AC-2001 is considered capable of addressing this challenge by removing the entire protein, thereby eliminating not only its catalytic function but also its non-enzymatic scaffold roles. This complete protein clearance is hypothesized to overcome resistance mechanisms associated with traditional inhibitors and could provide broader efficacy in tumor models where resistance or incomplete PARP trapping limits current therapies.

In addition to its novel mechanism, PL-AC-2001 exhibits exceptional *in vitro* potency. It has demonstrated activity at the picomolar level (10^{-12} M), which represents a significant increase in strength compared to most previously reported PARP-1 inhibitors, which typically operate in the nanomolar range (10^{-9} M), according to Frost & Sullivan. This combination of a superior mechanistic profile and profound biochemical potency supports the continued development of PL-AC-2001 as a next-generation therapeutic candidate.

PL-AC-2001 MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED

Our Other Products

Since our establishment, we have always been primarily focused on the research and development of innovative pharmaceutical products, including our Core Product and other drug candidates. However, the development of innovative pharmaceutical products requires substantial investment in terms of capital, time, personnel, and other resources. In order to generate some revenue and positive cash flows to support the continuing research and development of our Core Product and other product candidates, we developed and commercialized several daily-care products, leveraging certain technologies that we developed during the process of developing our pharmaceutical products.

Our daily-care products primarily comprise professional-grade topical solutions formulated for antibacterial, antifungal, and mosquito bite management. We offer a portfolio of over 20 daily care products across three series, namely the Wenning Series (呅寧), the antibacterial care series, and the cleaning & daily chemical series. Unlike other daily care products that rely on synthetic surfactants and chemical preservatives, our daily care products are distinguished by our AMP technology. Leveraging pharmaceutical-grade R&D and a mechanism of physical membrane disruption, our peptide-based formulations provide broad-spectrum inhibition of pathogenic bacteria without inducing microbial resistance or compromising the skin's commensal flora. Furthermore, the inherent bioactivity of these peptides enables a self-preserving system that minimizes the use of common sensitizing agents, thereby offering high biocompatibility and tolerance for sensitive and compromised skin.

These daily-care products comply with relevant quality standards and have passed necessary quality tests and deliver rapid antibacterial, antifungal, and anti-pruritic effects. All our daily-care products are developed with a high safety margin and contain no alcohol, hormones, antibiotics, or pesticides, ensuring a comfortable, non-irritating experience for users. Going forward, we plan to keep our daily care products business as it is currently. Given that we will continue focus on our innovative pharmaceutical products in the future, our daily care products will remain as our supplementary business.

As of the Latest Practicable Date, none of our pharmaceutical products was commercialized yet. Therefore, we generated all our revenue from sales of our daily-care products during the Track Record Period. We recorded revenue generated from sales of daily care products of RMB5.2 million in 2024, RMB3.3 million in 2025 and RMB2.2 million in the six months ended June 30, 2026, respectively. Our gross profit margin from sales of daily-care products were 41.9% in 2024, 39.3% in 2025 and 47.9% in the six months ended June 30, 2026, respectively.

OUR COLLABORATIONS AND LICENSING ARRANGEMENTS

Licensing arrangements with the University of Colorado regarding certain intellectual property rights in relation to our Core Product

All the key technologies in relation to our Core Product and other product candidates were developed by us in-house, and substantially all the IP rights in relation to our Core Product and other product candidates were granted by relevant regulatory authorities to, and are currently owned by us. For details, please see "— Intellectual Property."

However, the "Membrane Discrimination Mechanism" was co-proposed by our founder, Dr. Chen, when he was conducting his postdoctoral research at the University of Colorado (the "**University**") and Dr. Robert Hodges (who was Dr. Chen's mentor at the University), and the underlying antimicrobial peptide molecule of PL-5 was co-developed by Dr. Chen and Dr. Robert Hodges, as principal inventors, together with the three other co-inventors (who primarily provided experimental support for the invention and were involved on a collaborative basis). Following the University's policies regarding discoveries and inventions, the initial compound patents in relation to such antimicrobial peptide, namely the Chinese patent ZL200580047492.9 (the "**Chinese Compound Patent**") titled "Antimicrobial Peptides and Methods of Use," which is the corresponding granted patent in the Chinese mainland arising from PCT/US2005/45393, and the U.S. patent, US8,252,737B2 (the "**U.S. Compound Patent**"), titled "Antimicrobial Peptides and Methods of Use," were owned by the University.

The PL-5 licensing agreements, comprising the 2007 Agreement and the 2021 Agreement (both as defined below), were principally negotiated and finalized between Dr. Chen and the University. Dr. Hodges and the co-inventors are neither licensors nor licensees under the agreement, and the agreements do not grant them any direct authority, in their personal capacities, over the execution of the agreements or decisions relating to commercialization. ULE Holdings, a non-profit entity affiliated with the University, acted as the recipient of an equity interest in our Company on behalf of the University, and did not participate in the negotiation of the specific terms of the agreements.

Both agreements reserve for the University the right to practice and use the licensed patent rights (and related know-how/licensed products) for non-commercial purposes, including educational and research activities and industry-sponsored research. Accordingly, the University's retained rights related to the licensed patents and non-commercial use thereof; there were no retained commercial rights by the University with respect to the Core Product. The 2021 Agreement expressly extends that reserved non-commercial use rights beyond the University to future not-for-profit employers of the inventors and

other not-for-profit academic and research institutions. Likewise, these reserved use rights are limited to educational, research, and other non-commercial purposes and do not include any commercial exploitation rights of the Core Product.

We believe that, based on the contractual framework, the reserved rights do not and will not constitute any material commercial competition with our Core Product for the following reasons: (i) the reserved rights granted to the University, Dr. Hodges, and the co-inventors are strictly limited to non-commercial purposes, including educational, research and clinical use, and do not permit any manufacture, sale or other commercial exploitation; (ii) all exclusive commercialization rights in respect of the core product, including manufacturing, use, sale and importation, have been exclusively granted to us; (iii) while certain permitted activities, such as clinical use, industry-sponsored research and academic publication, may generate publicly available scientific information or research outputs, any third party would remain subject to our exclusive license under the 2021 Agreement; and (iv) although the 2007 Agreement and the corresponding patent in China have expired, we have established a robust and effective defensive moat for our Core Product through five patents in China and one patent in Japan covering the specific sequence-related formulation used in PL-5, all of which have been granted directly to us and will remain valid until 2041. For details, please see "— INTELLECTUAL PROPERTY."

Neither agreement confers on the University any right to amend, determine or intervene in the clinical trial design or other day-to-day R&D activities relating to our Core Product, and full R&D control and decision-making authority rests solely with us as the licensee.While we are required to provide the University with periodic updates summarizing completed R&D activities, clinical trial progress and future development plans within specified timelines under the relevant agreements, such obligations are purely for information disclosure and milestone compliance monitoring purposes. As such, we are the sole sponsor responsible for all clinical trials and the marketing authorization holder for PL-5, our Core Products, in both the PRC and the United States. We have not engaged, and have had no plans to engage, the University in any post-licensing collaborations as of the Latest Practicable Date.

Although the two compound patents relating to PL-5 in China and the U.S. that we in-licensed from the University previously formed part of our patent portfolio, the Chinese Compound Patent expired in December 2025. As of the Latest Practicable Date, we retain only one effective compound patent license in the U.S. in respect of the Core Product, which is the U.S. Compound Patent. Notwithstanding the expiry of the Chinese Compound Patent, as of the Latest Practicable Date, we solely own five formulation patents in China and one formulation patent in Japan covering PL-5, all of which are expected to remain valid until 2041. These formulation patents cover PL-5 across multiple dosage forms, including sprays, creams, gels, paints and lyophilized formulations. We solely own all patents relating to the Core Product, except for the Chinese Compound Patent, which expired in December 2025, and the U.S. Compound Patent that is subject to the licensing arrangements under the 2021 Agreement. Compound patents and formulation patents afford different scopes of protection. While compound patents protect the peptide molecule itself, formulation patents protect specific formulations, dosage forms and methods of delivery incorporating the peptide. We rely on a layered and integrated "composition — formulation — application — commercialization pathway" patent strategy to protect the IP rights in respect of our Core Product. According to Frost & Sullivan, our patent strategy is consistent with industry practice, and, from an industry perspective, the formulation patents provide adequate protection for our commercial rights and market position against potential generic competition. For further details of our patent strategy, see "— Intellectual Property."

The 2007 Exclusive License Agreement (Greater China)

In May 2007, we entered into an exclusive license agreement with the University (the "**2007 Agreement**").[1] Pursuant to this agreement, the University granted us an exclusive, royalty-bearing license, which include the right to grant sublicense, to Chinese patents and applications that emerge from PCT Application PCT/US2005/45393, titled "Antimicrobial Peptides and Methods of Use Thereof" (the "**Chinese Patent Rights**"), including the Chinese Compound Patent which emerged from such PCT application.

Under the license, the University granted us an exclusive, royalty-bearing license to make, use, import, offer to sell or sell (i) any product or part thereof that is covered in whole or in part by an issued, unexpired claim or a pending claim contained in the Chinese Patent Rights and (ii) product, apparatus, or part thereof that is manufactured or discovered by using a process or is employed to

1 The signing parties to the 2007 Agreement were Changchun ProteLight and the Regents of the University of Colorado.

practice a process which is covered in whole or in part by an issued, unexpired claim or a pending claim contained in the Chinese Patent Rights (the "**Chinese Licensed Product(s)**," which shall not include a new patentable enhancement, modification, purification, optimization, or affinity maturation of the Chinese Patent Rights that does not require practice of the Chinese Patent Rights to make, use or sell) in Greater China (including Chinese Mainland, Hong Kong, Macau and Taiwan). No joint steering committee or other similar joint decision-making mechanism was established pursuant to such license agreement. The University only retains the right to practice the Chinese Patent Rights for its own internal research and educational purposes and did not have any control over the R&D, clinical development and commercialization of products independently developed by us based on the Chinese Patent Rights. Under the University policies, the inventors would be rewarded by the University for such discovery.

At the time of entering into the 2007 Agreement, the relevant technology had only just emerged from the laboratory, and our core product had not entered any substantive stage of clinical trials. Only patent application PCT Application PCT/US2005/45393 had been filed, and no patent had yet been granted. There was no clear pathway as to how the patented compound could be advanced into a drug candidate, nor was there any established methodology available. Subsequently, the pre-clinical development of PL-5, as well as the maintenance of the relevant patent in the PRC (including responding to office actions and payment of related fees), were carried out by us in the PRC. Following our licensing-in of the patent, we undertook drug development efforts and the University was not involved in the process.

Other key terms of this agreement are summarized below:

Equity Consideration: In exchange for the license, we issued ULE Holdings an equity interest of 7% in Changchun ProteLight. Following a series of equity transfers among the then shareholders of Changchun ProteLight in 2009, Changchun ProteLight was wholly owned by our Company, and ULE Holdings became a shareholder of our Company in 2011. The equity ownership of ULE Holdings in our Company were later diluted as a result of our subsequent financing rounds. See "History, Development and Corporate Structure — Major Shareholding Changes of Our Group" for more information regarding their current equity ownership in our Company.

Milestone Payments: The University is also entitled to receive milestone payments based on the stage of clinical development of any Chinese Licensed Product. The total milestone payments are subject to a maximum amount, with the highest single milestone payment being USD50,000 and the aggregate milestone payments being capped at USD125,000. Milestone payments are triggered upon the occurrence of certain development and commercialization events, including (i) USD15,000 upon first dosing in humans of any Chinese Licensed Product, (ii) USD25,000 upon initiation of Phase II (or its PRC equivalent) clinical trials, (iii) USD35,000 upon initiation of Phase III (or its PRC equivalent) clinical trials, and (iv) USD50,000 upon first commercial sale of any Chinese Licensed Product in the PRC. During the term of the 2007 Agreement, the Company achieved the first three milestones in relation to PL-5 under the 2007 Agreement and made aggregate payments of USD75,000. The fourth milestone payment was never triggered because the relevant development milestone was not achieved prior to the expiry of the 2007 Agreement.

Sublicense: Under the 2007 Agreement, we were permitted to grant sublicenses to third parties (the "**Sublicensees**") only with the University's prior written consent, which could not be unreasonably withheld.

Royalties: We are required to pay royalties at 1.0% of net sales of the Chinese Licensed Products, triggered upon the generation of net sales in a given year and payable in the begining of each year. We are also required to pay sublicensing royalties based on income received from Sublicensees, at rates ranging from 10% to 20% depending on the timing of the sublicense agreements entered into after the effective date.

Diligence Report: We are subject to periodic R&D reporting obligations, including annual R&D and business reports detailing the development of the Chinese Patent Rights in China and our financial condition, and milestone completion reports on each anniversary of the effective date of the agreement, specifying whether the R&D milestones have been achieved.

Governing Law and Dispute Resolution: The agreement is governed by the laws of the State of Colorado, and exclusive jurisdiction for any disputes lies with a court of competent jurisdiction in the State of Colorado.

Subsequent Amendments: We and the University further amended the 2007 Agreement, in July 2009 and July 2013, respectively, to extend certain development milestones set forth in the agreement, such as the completion of animal toxicity studies and preclinical experiments. In addition, Changchun ProteLight, Jiangsu Protelight Pharmaceutical & Biotechnology Co., Ltd. and the University entered into an assignment and novation agreement on February 24, 2017, in which Changchun ProteLight transferred all its rights, liabilities, duties and obligations under the 2007 Agreement to Jiangsu Protelight Pharmaceutical & Biotechnology Co., Ltd. and the University approved such transfer.

Termination: The 2007 Agreement (as amended) was terminated in December 2025, following the expiration of the corresponding patent term of the Chinese Compound Patent in China. By the time of the termination, no Chinese Licensed Product was commercialized yet. As such, no royalty was payable, and we did not pay any royalty, under this agreement. Accordingly, we had no outstanding payment obligations under the 2007 Agreement upon its expiry.

The 2021 Exclusive License Agreement (U.S.)

From August 2017 to December 2021, the University granted us an exclusive option to negotiate a worldwide, exclusive license for two U.S. patents, namely, the U.S. Compound Patent and U.S. 9346865B2, a process patent directed to the method of producing the compound, which expired in 2025 (the "**U.S. Patent Rights**"). By 2021, we had initiated Phase III clinical trials of PL-5 in the PRC, and the drug had demonstrated significant potential. Accordingly, we sought to acquire the relevant rights in the U.S. and to advance our R&D activities in the U.S. on that basis. In December 2021, we decided to exercise the aforesaid option and entered into another exclusive license agreement with the University (the "**2021 Agreement**")[2]. Pursuant to this agreement, the University granted us an exclusive, royalty-bearing license to make, use, import, offer to sell or sell any product, service or process that would infringe a valid claim of the U.S. patents, or any product manufactured or service rendered using a process that would infringe such a valid claim (the "**U.S. Licensed Product(s)**").

At the time of execution of the 2021 Agreement, the core product underlying the relevant licensed patents had not yet been the subject of an IND filing in the U.S. and remained entirely at the pre-clinical development stage. We independently undertook all R&D efforts in advancing PL-5 from the pre-clinical stage to the clinical stage in the U.S..

The license applies to all fields of use and is limited to the territory of the U.S. We are permitted to grant sublicenses without obtaining the University's prior written consent, provided that such sublicenses comply with the terms of the agreement. No joint steering committee or other similar joint decision-making mechanism was established pursuant to such license agreement. The University retains the right to practice the licensed patents for educational, research, clinical, and other non-commercial purposes, and did not have any control over the R&D, clinical development and commercialization of products independently developed by us based on the patents. Under the University policies, the inventors would be rewarded by the University for such discovery.

We are required to use commercially reasonable efforts to develop and commercialize the U.S. Licensed Products. The agreement specifies development diligence milestones, including securing certain amount of fund in financing IND submission and clinical trials, submitting an IND application initiating U.S. clinical trials, and completing the first commercial sale.

License Fee: We were required to pay an upfront license fee of USD25,000 and subsequent annual license maintenance fees. The annual license maintenance fee is USD20,000 on each of the first and second anniversaries of the agreement, USD35,000 on the third anniversary, and USD70,000 on the fourth anniversary and each anniversary thereafter, and was creditable against the royalties on net sales payable by us for the annual period commencing from the relevant anniversary.

Milestone Payments: The University is entitled to receive milestone payments based on the stage of clinical development of any U.S. Licensed Product. The total milestone payments are subject to a cap, with the highest single milestone payment being USD500,000 and the aggregate milestone payments being capped at USD850,000. Milestone payments are triggered upon the occurrence of key regulatory and clinical development events, including (i) USD50,000 upon submission of an IND application to the FDA, (ii) USD100,000 upon first dosing of a patient in a clinical trial in the United States, (iii) USD200,000 upon first dosing of a patient in a Phase III clinical trial in the United States,

2. The signing parties to the 2021 Agreement were Jiangsu ProteLight Pharmaceutical & Biotechnology Corporation, Ltd. and the Regents of the University of Colorado.

and (iv) USD500,000 upon acceptance by the FDA of an NDA for the first licensed product. As of the Latest Practicable Date, we have made payments for the first two milestone payments, with an aggregate amount of USD150,000.

Sublicense: We and our affiliates may grant sublicenses, including through multiple tiers, to third parties (the "**Sublicensees**") without obtaining the University's prior written consent.

Royalties: We are required to pay royalties equal to 2% of net sales of the licensed products, payable on a quarterly basis upon generation of net sales. We are also required to pay sublicensing royalties based on income received from Sublicensees for granting the sublicenses, at rates ranging from 10% to 20% depending on the timing of the sublicense agreements entered into after the effective date.

Diligence Report: We are required to submit diligence reports to the University, including disclosures of R&D data and results comprising the initial development plan, annual diligence reports, future R&D plans, and detailed explanations for any changes to the product development plan.

Governing Law and Dispute Resolution: The agreement is governed by the laws of the State of Colorado, and exclusive jurisdiction for any disputes lies with the state and federal courts located in Colorado.

Termination: The 2021 Agreement will be terminated after the expiration of the corresponding patent terms in the U.S. (currently expected in 2028).

As of the Latest Practicable Date, none of the two license agreements covered any product that was commercialized during the term of the relevant license agreement. Therefore, we did not pay any royalties to the University during the Track Record Period and up to the Latest Practicable Date.

Exclusive Commercial Cooperation Agreement with Chia Tai Tianqing

In December 2022, we entered into an exclusive commercial cooperation agreement (the "**Cooperation Agreement**") with Chia Tai Tianqing Pharmaceutical Group Co., Ltd. ("**Chia Tai Tianqing**") for sales of PL-5 in Chinese Mainland (the "**Licensed Territory**"). As the subsidiaries of Sino Biopharmaceutical Limited, Chia Tai Tianqing are highly regarded cooperation partners in China's pharmaceutical industry with strong R&D heritage and well-established nationwide commercial network.

Our collaboration with Chia Tai Tianqing is designed to accelerate the commercialization of our core product PL-5 in the Licensed Territory through its mature commercial infrastructure. We will retain responsibility for the research, global clinical trials, and registration strategy of PL-5, as well as all commercialization rights outside the Licensed Territory.

Sales: Chia Tai Tianqing shall, in each calendar year, prompt us to sell PL-5 to customers within the region such as the distributors appointed by Chia Tai Tianqing in accordance with this Cooperation Agreement. Chia Tai Tianqing is responsible for comprehensively formulating nationwide and regional market strategy analysis reports and market strategy execution reports for PL-5. By December 31 of each calendar year following the launch of PL-5, it shall submit such nationwide reports to us. The parties may discuss these reports, and our reasonable suggestions shall be duly considered and incorporated.

Service Fees: We are required to settle service fees with Chia Tai Tianqing on a quarterly basis, based on the service fees payable for each calendar quarter, and to conduct an annual settlement to reconcile and adjust the total annual service fees against the quarterly amounts already paid. The service fees are calculated based on the difference between (i) the calculation price, being the market selling price after deducting the agreed channel discount and VAT, and (ii) the applicable base settlement price determined with reference to the relevant base settlement discount rate, multiplied by the actual shipment volume (measured in vials). The applicable base settlement discount rate may be adjusted depending on the actual shipment volume and the achievement of sales targets by Chia Tai Tianqing. As PL-5 had not yet been commercialized as of the Latest Practicable Date, no service fees were paid during the Track Record Period and up to the Latest Practicable Date.

Exclusivity Terms: Under the exclusivity terms, we are restricted from selling the product directly or authorizing any other third party to do so and is required to enter into distribution agreements exclusively with distributors appointed by Chia Tai Tianqing. In terms of market access and pricing, Chia Tai Tianqing leads initiatives related to National Reimbursement Drug List (the "**NRDL**") negotiations.

Regulatory Approvals: We shall obtain and maintain all governmental approvals necessary for the sale of PL-5 within the Licensed Territory, including but not limited to securing and retaining marketing authorization and passing inspections conducted by regulatory authorities.

Product Supply: We shall deliver PL-5 within five calendar days upon receipt of an order from Chia Tai Tianqing or its appointed distributors. Unless otherwise agreed in writing by the parties, we shall be responsible for all procedures and costs (including shipping and insurance) incurred prior to the delivery of PL-5 to the distributor.

Product Liability: We are responsible for handling and bearing all costs and liabilities arising from disputes, returns or complaints relating to quality issues in the manufacture of the Core Product, adverse reactions, medical incidents or safety issues, including, without limitation, compensation for personal injury to patients.

Joint Steering Committee: We and Chia Tai Tianqing shall establish a joint steering committee ("**JSC**") composed of an equal number of representatives from each party, serving as the platform for exchanging product data, information, and market strategy plans. The JSC shall be responsible for overseeing the overall performance of this Cooperation Agreement and for facilitating communication on matters such as production, supply, launch plans, tendering, distribution, promotion, and performance review of PL-5.

Pursuant to the Cooperation Agreement, the parties have established a tiered escalation and consultation mechanism that provides a clear framework for resolving any disagreements that may arise in the course of the cooperation. If the JSC is unable to reach a consensus on any matter within the designated period, such matter will be escalated to the respective designated representatives of the parties for resolution. The designated representatives of Chia Tai Tianqing and us shall seek to resolve the relevant disputed matter through good-faith discussions and by using their best efforts within the applicable designated period following receipt of the escalation request. If a matter remains unresolved at the JSC level or by the designated representatives of the parties, such matter may be further escalated to the management of the respective parties for discussion and resolution. If the management of both parties is still unable to reach a consensus, the parties may mutually agree to terminate this agreement.

NRDL Matters: Chia Tai Tianqing is responsible for leading the NRDL access, inclusion and price negotiation matters, while we are required to provide necessary cooperation and jointly participate in on-site NRDL negotiations through designated representatives where permitted by the applicable authorities. Pricing strategy and final pricing decisions are subject to mutual consultation and approval by the JSC. We are responsible for completing the application for NRDL application and coding after the agreement becomes effective and within two months after the relevant product is approved for marketing and sale in the Licensed Territory.

Commercialization Strategies and Activities: We have granted Chia Tai Tianqing exclusive rights to promote and commercialize the product within the Licensed Territory. Chia Tai Tianqing is responsible for managing distribution channels in the Licensed Territory, including the appointment and management of distributors, inventory management, and compliance oversight, and shall submit a list of distributors to us for record-filing. In the event of any objection, the matter shall be referred to the JSC for discussion.

Chia Tai Tianqing shall take the lead in national and provincial tendering and procurement processes with our cooperation to the extent permitted by applicable regulations. Product pricing shall be determined through mutual consultation and subject to approval by the JSC. Chia Tai Tianqing is also responsible for facilitating market access to medical institutions within the Licensed Territory, and we will provide reasonable assistance. We are responsible for regulatory filings and maintenance, manufacturing, quality control, supply and inventory, pharmacovigilance and adverse event handling, as well as regulatory-required medical studies.

In terms of marketing and branding, Chia Tai Tianqing is responsible for the formulation and execution of national and regional marketing strategies and shall submit relevant materials to us for record-filing in accordance with the agreement; our reasonable suggestions shall be adopted. The product name, trademarks and packaging design will be led by Chia Tai Tianqing, subject to mutual agreement and approval by the JSC, with final decision-making authority resting with us.

Intellectual Property Rights: All copyrights, trademarks, patents, and other intellectual property rights owned by us and our affiliates prior to the execution of this Cooperation Agreement shall remain the exclusive property of us and our affiliates, unaffected by the signing of this Cooperation Agreement. Accordingly, we retain full ownership and control of all intellectual property and proprietary technology

related to PL-5, and such rights are not transferred or diminished as a result of this Cooperation Agreement. We may also continue to conduct research, development, and commercialization activities for PL-5 outside the licensed territory in accordance with our global strategy.

Term and Termination: Unless earlier terminated in accordance with the terms of the Cooperation Agreement, the initial cooperation period under this Cooperation Agreement shall last until the date that is ten years after the commercial launch of PL-5. Upon expiration of this period, the parties may renegotiate the commercial terms based on their respective circumstances, including but not limited to the cooperation duration, service fee structure, and shipment sales targets. This Cooperation Agreement may be terminated immediately upon mutual written agreement of the parties. Following expiration or early termination of the Cooperation Agreement, the exclusive commercialization rights granted to Chia Tai Tianqing within the territory shall cease as stipulated therein.

Future Commercialization Plans (Overseas)

We intend to seek and license out the overseas development and commercialization rights of our Core Product and other drug candidates to potential partners outside the PRC. As of the Latest Practicable Date, we had not identified or secured any definitive U.S. commercialization partner, sales channel, pricing strategy or market access pathway for the commercialization of our Core Product in the U.S. We have, however, been engaging with a pharmaceutical company in Brazil and another in India, and have entered into confidential disclosure agreements with both parties in relation to potential collaboration regarding our Core Product. As of the Latest Practicable Date, we had not entered into any definitive agreement with either party. We will continue to actively explore and pursue collaboration and commercialization opportunities with suitable partners in the U.S. and other overseas markets to facilitate the commercialization of our Core Product.

RESEARCH AND DEVELOPMENT

Research and development supports our ability to foster innovation, advance pipeline assets, and maintain a competitive edge in the global pharmaceutical market. We conduct research and development activities primarily through our in-house scientific and development teams, supplemented by CDMOs, CROs and SMOs engaged from time to time to support preclinical research and clinical trials.

We have been primarily engaged in research and development for the purpose of developing our Core Product, and have continued such research and development efforts throughout the Track Record Period. In 2024, 2025 and for the six months ended June 30, 2026, our research and development expenses accounted for 71.5%, 60.9% and 50.4% of our total operating expenses (defined as the sum of research and development expenses, selling and distribution expenses and administrative expenses). Our research and development expenses for the Core Product accounted for 52.5%, 31.5% and 33.4% of our research and development expenses in 2024, 2025 and for the six months ended June 30, 2026, respectively. With respect to the research and development expenses incurred for the Core Product, we recorded RMB42.4 million in 2024, RMB18.0 million in 2025 and RMB8.2 million in the six months ended June 30, 2026, respectively. The decrease is primarily because our Core Product PL-5 received acceptance notice for application of its NDA in China in December 2024 and received NDA approval in China in June 2026. Currently, we are conducting a Phase II clinical trial of our Core Product PL-5 in the U.S. for the treatment of diabetic foot infections, which is expected to be finalized by the third quarter of 2028. Furthermore, we may also be required to conduct Phase III clinical trial of our Core Product PL-5 in the U.S. for the treatment of diabetic foot infections in order to apply for NDA in the U.S. As such, we expect our research and development expenses will continue to increase, which could satisfy the paragraph 7 of Chapter 2.3 of the Guide. Our R&D centers, located in Jiangyin, Wuxi City and Nanjing with an aggregate gross floor area of approximately 2,000 sq.m., are equipped with advanced laboratories and state-of-art equipment and instruments.

In-house R&D Team

As of the Latest Practicable Date, we have established a dedicated in-house R&D team of 36 members with an average of more than eight years of industry experience and more than 86.0% of our R&D team members held master's or above degrees. For our Core Product PL-5, we have a dedicated team of 13 core R&D personnel as of the Latest Practicable Date covering the complete drug development lifecycle of PL-5. The team is headed by our CEO, Dr. Chen Yuxin and the remaining 12 members consist of specialized experts across key functions: clinical & regulatory affairs, pharmacovigilance, clinical & medical, preclinical, CMC & formulation and analysis & quality control. All these 13 aforementioned core R&D personnel remained continuously employed by us throughout the Track Record Period and up to the Latest Practicable Date.

Our R&D team consists of experienced scientists with strong expertise and extensive development experience in, backed by years of work in drug development, medical practice and strategic planning. Below set forth our R&D team, who play key roles in leading the development of our drug candidates as of the Latest Practicable Date.

Ms. Chen Mingxia, our Vice President, is responsible for the R&D of clinical trials. A highly capable and experienced leader responsible for all clinical trials, regulatory submissions, intellectual property, and pharmacovigilance. She previously worked on new drug R&D and registration at Joinn Laboratories and joined the company in 2009, bringing extensive expertise to her role.

Dr. Zhu Xu, our Vice President, is responsible for the Preclinical R&D. A national-level talent recognized under the "Qiming Plan." Before joining the company in January 2023, he spent nearly nine years in innovative drug R&D at Pfizer's U.S. headquarters. Under his leadership, multiple drug candidates have advanced rapidly.

Dr. Sun Ping, our Head of Medicinal Chemistry. He returned to China after completing his PhD in Germany, where he specialized in PROTAC research. He designed the PROTAC-based molecules and PL-1001 and later took over the optimization of PL-MD-333, demonstrating excellent performance in structure-based drug design.

Dr. Yip Wan Kong, our Head of Biology. He held a PhD in Immunology from the University of Alberta Faculty of Medicine in Canada and is an expert in immunology and related biological research.

Dr. Yao Wenjun, our Head of Formulation. He held a PhD in Pharmaceutics from China Pharmaceutical University and previously served as the formulation lead at a company listed on the Shenzhen Stock Exchange, where he oversaw more than 70 generic drug bioequivalence studies. He has led the development of advanced formulations, including the thermo-sensitive gel formulation for PL-3301.

All core R&D personnel are bound by non-compete agreements upon departure, and no prior non-compete restrictions apply to their current roles. We confirmed that the departure of the predecessors of Dr. Zhu Xu, Dr. Sun Ping, Dr. Yip Wan Kong and Dr. Yao Wenjun did not have any material impact on the R&D of the Core Product since we have strict project management process and intellectual property protection policies and comprehensive transition arangement to ensure steady and smooth handover process.

Drug Discovery and Preclinical Development

Prior to project initiation, our scientists leverage deep domain expertise to systematically identify, screen, and evaluate both validated and novel targets. In alignment with evolving GLP and GMP regulatory trends, we prioritize strategic imperatives such as minimizing drug-related adverse effects while maximizing therapeutic potential. Following rigorous scientific research, epidemiological analysis, market opportunity forecasting, and competitive landscape assessment, we prepare a comprehensive project proposal. This dossier outlines the technical approach, market potential, competitive positioning, implementation plan, and budget. Only after thorough internal review and approval do we formally initiate lead discovery efforts.

Once a target is validated, we advance to systematic drug discovery, which includes structure-based rational design, and iterative medicinal chemistry optimization. Candidate selection rigorously balances potency, selectivity, and drug-like properties to prioritize molecules suitable for oral delivery and further development.

In the preclinical phase, we conduct pharmacokinetics (PK), toxicology, and pharmacology studies — both *in vitro* and *in vivo* — to achieve critical milestones toward clinical readiness. Drug metabolism and PK evaluations quantify parent compounds, metabolites, and key biomarkers, informing human dosing projections. Toxicology teams design and interpret GLP-compliant safety studies to ensure robust data for IND submission. Concurrently, biomarker development enables target-engagement assays, efficacy predictions, and safety monitoring. Clinical pharmacology experts apply appropriate analysis, population PK/PD modeling, and exposure-response simulations to refine first-in-human trial designs.

To support IND submission, our CMC teams collaborate closely with contract development and manufacturing organizations (CDMOs) for drug substance and drug product activities. For the drug substance, we manage API process development, scale-up manufacturing, analytical method validation, and impurity profiling to guarantee quality, stability, and compliance with GMP standards. For the drug product, we advance formulation optimization, excipient compatibility testing, and clinical batch

production, including stability assessments and packaging strategies. This partnership-driven approach ensures comprehensive CMC documentation, mitigates supply chain risks, and facilitates a seamless transition to clinical stages.

Looking ahead, we plan to integrate artificial intelligence technologies and leverage our AI technology platform across discovery and preclinical workflows. AI-driven virtual screening via this platform will accelerate identification of novel targets and lead chemotypes, enhancing hit-to-lead efficiency and reducing cycle times. By embedding the AI technology platform into our existing R&D system, we aim to streamline early-stage screening, prioritize high-value candidates and further boost the productivity of our drug-discovery engine.

Clinical Development

Our medical and clinical development team leads the strategic design and efficient execution of our clinical programs, managing end-to-end trial operations with the assistance of CROs, including site selection and activation, drug supply chain management, collection and analysis of study data, and preparation of clinical study reports (CSR).

Our trial momentum is powered by deep therapeutic expertise, scientifically rigorous protocols, a multi-center trial strategy in close collaboration with clinical principal investigators (PIs), and efficient trial execution. Anchored in a clinical-need-driven R&D philosophy, we strategically design the clinical trials of our drug candidates, critically select the registration pathways, diligently conduct our clinical trials to ensure speed of execution and data quality, and maintain constructive dialogues with the regulatory authorities to achieve optimal clinical efficacy, and accelerate the approval timelines and maximize the commercial potential of our drug candidates.

Critically, we retain full control over trial site selection-evaluating institutions based on patient access, therapeutic specialization, historical performance, and geographic reach. Through our established network of high-performing hospitals and PIs across diverse regions, we can rapidly enroll patients, run multiple trials in parallel, and execute large-scale studies with speed and reliability. The size and the geographic diversity of these institutions provide us with a significant advantage in implementing large-scale clinical trials and also enable us to conduct multiple clinical trials concurrently. This infrastructure not only de-risks our development timeline but also positions us to efficiently expand into new indications and markets.

Collaborations with Clinical Trial Sites

The NMPA maintains a catalog of hospitals that it has approved as clinical trial centers, from which we select a number of leading hospitals with desirable expertise, patient samples, technology and equipment to conduct our clinical trials. We meet with the selected participating hospitals to discuss the trial's goals and requirements, as well as to select the leading institutions for the trials, which typically are the largest and best-equipped hospitals of the participating hospitals.

We typically enter into an agreement with each selected hospital for each clinical trial, under which we and the participating hospitals prepare a clinical trial protocol following GCP standards that describes in detail the goal of the clinical trial, the risks involved, the overall design, the methods and the procedures of the trial. We submit documents, including our clinical trial protocol and draft informed consent to be filled out by patients, to the ethics committee of each participating hospital for review. The ethics committees may ask us to revise the clinical trial protocol or other documents before their approval. Once the protocol is approved, any amendment thereafter is required to be reviewed and consented to by the ethics committees and the clinical trials are required to be conducted strictly pursuant to the approved protocol. The hospital provides the foundational medical services required for the trial, including supplying facilities, equipment, and qualified personnel that meet GCP requirements. In this capacity, the Principal Investigators ("**PIs**") are responsible for screening subjects according to the protocol, obtaining legally valid signed informed consent, making critical medical decisions, and providing timely treatment for any adverse events or serious adverse events that occur during the study. They must also strictly manage the collection, storage, and testing of biological samples in compliance with ethical approvals and relevant genetic resource regulations.

Collaborations with PIs

In addition to our collaboration with clinical trial institutions, we also maintain continuous communications with lead principal investigators, who are informed of our latest research and development progress. The PIs we work with include reputable physicians who work at leading Class III hospitals and are responsible for the implementation, quality and safety of clinical trials. They not only provide us with important feedback on clinical needs but also present the clinical use of our

products in academic settings, which we believe can invite wider discussion of our drug candidates and in turn contribute to our research and development efforts. Furthermore, we have presented our products in multiple industry conferences, where we keep industry participants updated on our latest research and development progress. In addition, PIs bear additional leadership and coordination responsibilities. In this role, they need to assist in coordinating the screening and mobilization of other participating research centers across the country. Their administrative and scientific duties include hosting investigator meetings to communicate the research background, supervising the overall enrollment speed and protocol adherence of the participating centers, and providing expert scientific advice to interpret trial results and review the final statistical analysis and clinical summary reports.

Key terms of agreements that we typically enter into with clinical trial sites and PIs are set forth below:

- ***Services.*** We are responsible for providing GMP-compliant investigational drugs, the clinical trial protocols, and relevant regulatory approval documents. The clinical trial sites are responsible for the execution of specific study activities, including subject screening and enrollment, administration of investigational drugs, safety and efficacy assessments, biological sample collection and management, adverse event reporting, and source data recording in accordance with GCP and the protocols.
- ***Terms.*** The term of services for each project varies depending on the trial phase and enrollment plan. In general, it should cover the period from the effectiveness of the agreement until the completion of the clinical trial and the full discharge of all parties' rights and obligations.
- ***Payment.*** Clinical trial study fees are generally structured as milestone-based payments, with final settlement based on the actual number of enrolled subjects and completed study visits.
- ***IP rights.*** All the intellectual property rights in relation to the clinical trial are either owned by us or by the participating institutions. The use of clinical trial results for academic activities or patient care purposes is generally allowed but may require our prior approval, subject to the specific terms.
- ***Confidentiality.*** Except as necessary for performance of the agreement or as required by regulatory authorities or ethics committees, no party shall disclose any confidential information to any third party without the prior written consent of the counter-party.

Collaboration with CROs and SMOs

To improve research and development efficiency, control costs, and accelerate the commercial launch of our drug candidates, we have adopted a collaborative R&D model comprising our core in-house team alongside external CROs and SMOs. Under this model, we firmly retain all core decision-making authority, including trial protocol design, medical strategy formulation, data ownership, and regulatory filings, while our engaged CROs and SMOs act solely as executing parties. Our in-house R&D team leads the core stages of our development programs and oversees the entire project lifecycle. During the clinical stage, their responsibilities include determining clinical trial protocols, maintaining relationships with Key Opinion Leaders (KOLs), communicating with regulatory authorities, and managing product registrations. Furthermore, our in-house team establishes a pool of qualified suppliers, selects and evaluates CROs and SMOs through a competitive bidding process, to ensure effective execution and quality compliance. During the clinical trial, We would organize monitoring steps at each milestone, and will engage independent clinical trial audit institutions to issue independent clinical audit report.

We engage CROs and SMOs to serve as the executing parties for our clinical trials. CROs primarily provide specialized clinical execution services, which include conducting clinical site monitoring, providing pharmacovigilance services, and managing electronic data capture systems. SMOs primarily provide clinical trial site management services. They assist the clinical research institutions and principal investigators with the day-to-day operations and specific on-the-ground execution of our clinical trials at the study sites.

We select CROs and SMOs based on professional qualifications, relevant research experience, service quality, efficiency, industry reputation, and costs. We typically enter into the master service agreement with CROs and SMOs under which we execute a separate work order which define the scope of work, sample size, procedures, deliverables, timelines, and payment terms for each preclinical or clinical research project. CROs are required to comply with all applicable laws and regulations and adhere to our established protocols, ensuring the accuracy and authenticity of clinical trial results. To

maintain data integrity and regulatory compliance, we also exercise oversight of our CROs and SMOs partners. This includes regular progress meetings, execution reviews, and periodic audits, ensuring adherence to our protocols and regulatory requirements. Our proactive management approach reinforces the quality and reliability of data generated from our trials, supporting the advancement of our pipeline and strengthening our overall clinical development strategy.

Key terms of agreements that we typically enter into with our CROs and SMOs are set forth below:

- ***Services.*** In line with industry practice, CROs support us in matters such as trial design, site selection, trial execution, data management and analysis, and compliance with regulatory requirements. According to China's GCP common practice, we also engage SMOs, working together with trial sites in trial site management, including assisting in recruiting trial participants, coordinating site staff to confirm site process compliance, collecting clinical trial documents and maintaining data integrity at each site.
- ***Term.*** The CROs and SMOs are required to perform their services and complete the research project within the prescribed time limit set out in each agreement or work order, usually on a project basis.
- ***Payments.*** We are required to make payments to the CROs and SMOs in accordance with the payment schedule agreed by the parties.
- ***Intellectual property rights.*** We own all intellectual property rights arising from the clinical research projects conducted by the CROs and SMOs within the stipulated work scope.
- ***Confidentiality.*** Our CROs and SMOs are not allowed to disclose confidential information, including but not limited to, any information or data related to research, development, processes and protocols as specified in the agreement, and such obligation generally survives for a specified period.
- ***Risk allocation.*** We are generally responsible for the risks associated with the research project, while the CROs and SMOs should indemnify us for losses caused by their fault or gross negligence.

During the Track Record Period, we engaged with (i) five, six and three CROs in 2024, 2025 and the six months ended June 30, 2026, respectively; and (ii) one, two and one SMOs in 2024, 2025 and the six months ended June 30, 2026, respectively. The aggregate expenses incurred in relation to the (i) engaged CROs amounted to approximately RMB28.5 million, RMB18.8 million and RMB9.0 million in 2024, 2025 and the six months ended June 30, 2026, respectively; and (ii) engaged SMOs amounted to RMB0.3 million, RMB0.2 million and 46.4 thousand in 2024, 2025 and the six months ended June 30, 2026, respectively.

Given that our core competencies, including clinical development strategy, trial protocol design, medical oversight, data ownership, and regulatory submissions, are firmly retained by our in-house R&D team. Our CROs and SMOs are engaged solely for the operational execution of these internally driven strategies. Furthermore, the market for CROs and SMOs services is highly competitive and abundantly supplied with qualified alternative service providers. We maintain a robust supplier management system and engage multiple vendors concurrently. We can readily replace any existing CRO or SMO with comparable third-party service providers on commercially reasonable terms without experiencing material disruptions, delays, or significant additional costs to our clinical development programs if necessary. Ultimately, our engagement of these third parties reflects a standard industry practice optimized for operational efficiency, rather than a dependency. Therefore, our Directors are of the view that we do not have any reliance on any individual CRO or SMO for our research and development activities.

Collaboration with CDMOs

In the biotechnology industry, CDMOs are specialized service providers that offer comprehensive drug development and manufacturing solutions, including the synthesis of raw materials. During the Track Record Period, to support the research, development, and clinical trials of our drug candidates, we procured some raw material, namely peptide APIs, from external CDMOs. During the Track Record Period, we cooperated with two, three and two CDMOs in 2024, 2025 and the six months ended June 30, 2026, respectively, with corresponding expenses of approximately RMB2.9 million, RMB3.5 million and RMB3.0 million. Key terms of agreements that we enter into with our CDMOs include:

Services. Responsibilities of CDMOs typically include API production, process validation, stability testing, as well as the preparation and submission of API registration applications.

Term. The CDMOs are required to perform their services within the time limits prescribed in the respective agreements.

Payment. Payments are made upon the completion of milestones as set forth in the respective agreements.

Confidentiality. Our CDMOs are not allowed to disclose confidential information, including but not limited to, any information or data related to drug application and relevant technical documents, and such obligation generally survives for a specified period.

Intellectual property. We own all new technical achievements relating to the relevant products generated from the CDMOs' contracted manufacturing.

CMC AND MANUFACTURING

Our CMC team

Our CMC team provides strong support throughout the drug development process. Our CMC team, is responsible for, among other relevant functions, process development, formulation development, analytical method development and validation, technology transfer, GMP-compliant manufacturing, quality control and quality assurance. Our CMC team is led by Mr. Liu Chunmeng, our Operation senior director and Mr. Feng Shangbin, our quality director, who boast extensive experience in this regard.

Manufacturing Facilities

We have established our own Chinese GMP-compliant manufacturing facilities in Jiangyin ("**Jiangyin Facilities**"), Wuxi City, China, which meet both clinical and commercial production demands for quantity, quality and dosage form of our drug candidates and daily-care products. Our Jiangyin Facilities have a total gross floor area of approximately 12,000 sq.m. We primarily utilize these facilities to manufacture PL-5 and our daily-care products. Additionally, as of the Latest Practicable Date, we also conduct small-scale production of our key products at this site to support our ongoing research and development activities.

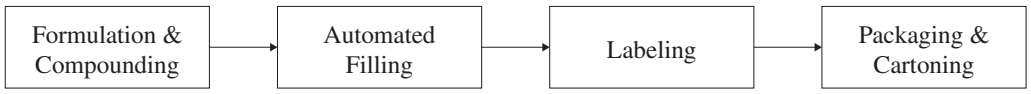
Drug Candidates

We strategically front-loaded our production capacity infrastructure in a relatively cost-efficient manner. As compared with production outsourcing, our robust independent production capability guarantees a stable and sufficient supply of drug candidates and future commercialized drugs with more manageable production costs and guaranteed quality.

During the Track Record Period, we have successfully completed nine production batches of our PL-5, which fulfilled the needs for preclinical studies, pilot production and clinical trials. As of June 30, 2026, the total production volume of our pipeline product PL-5 (spray dosage form) reached 117,364 bottles and all produced batches achieved a 100% product release success rate.

Our PL-5 production line utilizes an automated workflow designed for high-efficiency pharmaceutical manufacturing, moving seamlessly from bulk formulation to final packaging. The process begins with a 300L stainless steel compounding tank capable of producing 200L per batch, which equals a substantial output of 40,000 bottles per batch. Following formulation, the system transitions to a comprehensive filling stage, which comprises automatic bottle unscrambling, filling, and capping, and should be able to operate at a design speed of 120 bottles per minute. This is immediately followed by the S-500 labeling unit, which applies labels at a rate of 125 bottles per minute. The line

concludes with a high-capacity automated cartoning station capable of processing 145 bottles per minute, ensuring that downstream packaging capacity effectively supports the line's continuous high-speed operation. The following diagram shows the production process of our PL-5:



Daily-care Products

During the Track Record Period, we currently have three production lines for our daily-care products up to a total capacity of 20.2 million units. The table below sets forth the production details of our daily-care products as of June 30, 2026:

	For the Year Ended December 31, 2024			For the Year Ended December 31, 2025			For the Six Months Ended June 30, 2026		
	Production capacity[1]	Production volume	Utilization rate[2]	Production capacity[1]	Production volume	Utilization rate[2]	Production capacity[1]	Production volume	Utilization rate[2]
		(Unit)		*(Unit)*	*(Unit)*				
Product line A[3]	9,000,000	899,561	10.0%	9,000,000	415,058	4.6%	4,500,000	227,483	5.1%
Product line B[3]	2,160,000	57,528	2.7%	2,160,000	60,910	2.8%	1,080,000	23,647	2.2%
Product line C[4]	9,000,000	103,078	1.1%	9,000,000	79,926	0.9%	4,500,000	10,676	0.2%

Notes:

1. Production capacity is calculated as the full production rate of various machines in a production facility operating 300 days for a year. If a production facility commences or ceases operation in the middle of the year, the actual days from its production commencement to the last day of such year, or the actual days from the first day of such year until the date it ceases production, is used instead.
2. Utilization rate refers to the percentage of production volume to production capacity over the respective period.
3. Production line A and Production line B represent our gel daily-care products in different specification.
4. Production line C represents our liquid daily-care products.

We expect to devote our productive forces to our own drug candidates and products as our clinical trials progress and after our commencement of commercialization.

API Manufacturing Facility

In December 2025, we acquired a parcel of land in Taizhou Bay through our own fund and we are constructing our own API manufacturing facility on this site, which is expected to be completed in 2029. The designed annual production capacity of our Taizhou Bay API manufacturing facility is expected to be approximately 160 kg, which will mainly support the upcoming commercialization of our Core Product, PL-5, and the research and development of other product candidates, such as PL-18 and PL-3301. As a national-level economic and technological development zone located in Linhai City, Zhejiang Province, Tiazhou Bay has vigorously fostered the pharmaceutical and chemical industry, attracting various enterprises and establishing a complete industrial chain covering intermediates, APIs, and formulations. In addition, Taizhou Bay enjoys a strategic location with convenient transportation links, and offers well-established infrastructure and utility services. Such land is categorized as Class III industrial land, a classification that complies with national requirements for land that may be used for the construction of API manufacturing facility. We view it as a key component of our supply chain integration strategy, designed to: (i) mitigates the risk of supply chain by ensuring a stable and reliable supply of high-quality APIs, timely delivery, and effective cost control; (ii) maintain in-house production enables us to better protect our proprietary manufacturing technologies and minimizes the risk of process know-how and trade secret leakage associated with reliance on third-party manufacturers; and (iii) allow us to maintain stringent oversight over process stability and batch-to-batch consistency for our innovative drugs and formulations, ensuring that our impurity profiling and control strictly comply with the relevant regulatory and registration requirements. We do not allocate any portion of the **[REDACTED]** to the construction or development of our API manufacturing facilities, as we intend to fund the expenditure primarily through our internal financial resources.

Our CMC activities and capabilities

CMC refers to activities that define methods for manufacturing processes, product testing and releasing, product storage, ensuring that a pharmaceutical product is safe, effective, and consistent across batches.

Due to the complexity of therapeutic molecules, such as the various stages of peptides, including crude peptide syntheses, cleavage, purification and lyophilization, and GMP-compliant manufacturing, are critical for the successful development of peptide drugs. We cooperate closely with certain listed peptide CDMO companies to manufacture peptide pharmaceutical ingredient (API), which focus on developing and synthesizing active ingredient, expediting the scale-up of compounds for early developmental activities in drug safety and pharmaceutical sciences, and fulfilling in a timely and efficient manner the requests for drug substance supply to support pre-clinical study pipelines, and also focus on manufacturing GMP-compliant API for clinical studies and commercial supplement. Our CMC team have the capability to ensure that the production qualifications, facilities and processes of our CDMOs comply with the applicable regulatory requirements and our internal guidelines and quality standards.

As for drug product, our CMC capability includes the following functions:

(i) Formulation development: our formulation development team focuses on developing dosage forms of toxicology evaluations and preclinical trials and clinical studies; our experienced team integrates formulation process development, technology transfer, and contract manufacturing technical support, leveraging advanced facilities and technology to significantly reducing cycle times while ensuring adherence to the most stringent quality standards and rigorous manufacturing practices.

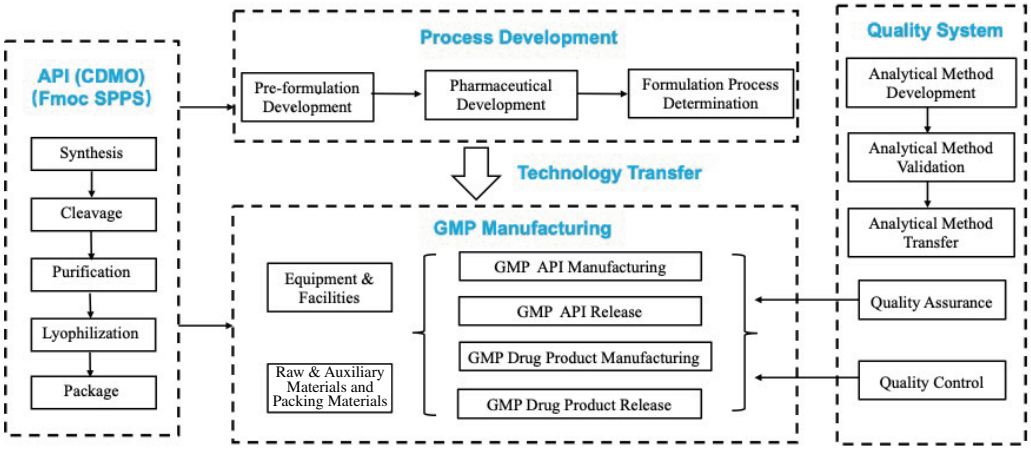
(ii) Manufacturing facilities: we have established robust pilot manufacturing capabilities to support the clinical development. Notably, we also have a GMP-compliant manufacturing facility to support commercial supplement of our drug candidates. Our GMP-compliant manufacturing factory in Jiangyin, Wuxi City, Jiangsu Province has a total GFA of more than 12,000 m^2.

(iii) Analytical sciences: our analytical science team implements a science-driven, clinical and commercial production-oriented approach to the development and application of both classic and state-of-the-art analytical techniques and tools throughout the life cycle of each of our drug candidates, including but not limited to development and validation of analytical methods for API and drug product, technical transfer of process and analytical methods, establishment of specifications, testing and releasing of each batch of API;

(iv) Quality control and assurance: with a well-documented and comprehensive quality system, the quality control and assurance team is responsible for testing and verifying the product quality with predefined standards to assure the quality of all the batches, manufactured at every stage of processing API and manufacturing drug products.

The following figure shows an overview of our CMC process:

An Overview of CMC Process



QUALITY CONTROL AND ASSURANCE

Quality control and quality assurance are critical to our continued success. We are committed to ensuring the quality of our operations through a comprehensive quality management system that spans all key stages of our R&D and manufacturing processes, which is meticulously established in

accordance with rigorous regulations and guidelines in China. We closely monitor evolving cGMP standards and regulatory developments in the market, continuously updating our internal procedures to adhere to the highest international standards for patient safety and regulatory compliance.

Our dedicated quality management team are dedicated to ensuring the quality systems cover all key stages of product development. All team members possess the work experience and knowledge background that match their positions, and the necessary qualifications that meet the requirements of our quality management activities.

We have established comprehensive quality control and assurance procedures to ensure compliance with relevant regulatory requirements and our internal quality standards, primarily including control and inspection of raw materials, management of each step of the development procedures, inspection of samples, establishment of internationalized product release standards, and risk evaluation during the process of product development.

COMMERCIALIZATION

Since our establishment, we have always been primarily focused on the research and development of innovative pharmaceutical products, including our Core Product and other product candidates. As of the Latest Practicable Date, we had not established a large in-house sales and marketing team yet, and our limited commercialization efforts during the Track Record Period were primarily in relation to the sale of our daily-care products, which has never been, and will not be, our core business. We believe that such strategy has afforded us significant advantages in terms of economic viability and operational efficiency, and allowed for the swift development of our core technologies and our pharmaceutical product candidates.

In the near term, we expect that we will continue to be primarily focused on research and development. Instead of expending extensive resources on establishing a large sales and marketing team within a short timeframe, we plan to cooperate with leading industry players, leveraging their established distribution channels, robust sales and marketing capabilities, capital resources and market intelligence and insights to achieve fast market access for our products in a cost-effective way. Following such strategy, we entered into the exclusive commercial cooperation with Chia Tai Tianqing, in anticipation of the upcoming commercialization of PL-5 in China, which could enable us to rapidly penetrate the domestic market by leveraging Chia Tai Tianqing established commercial infrastructure and extensive industry network. In terms of market access and pricing, Chia Tai Tianqing will also lead initiatives related to National Reimbursement Drug List (the "**NRDL**") negotiations. Our Phase III clinical data demonstrate that PL-5 possesses broad-spectrum efficacy against over 2,200 bacterial strains, including antibiotic-resistant pathogens. Beyond its clinical efficacy, PL-5 offers a strong pharmacoeconomic advantage by delivering rapid bactericidal action within 15 to 90 minutes, by passing the prolonged regimens typical of conventional antibiotics. Notably, its unique "Membrane Discrimination Mechanism" is not expected to induce drug resistance, thereby mitigating the need for time-intensive and costly pre-treatment susceptibility testing. This streamlines clinical workflows reduces diagnostic overhead and enables the immediate initiation of targeted therapy to accelerate patient recovery. In light of these demonstrated clinical benefits and cost-saving efficiencies, our Directors are of the view that the inclusion of PL-5 in the National Reimbursement Drug List (NRDL) is strategically and commercially feasible. For details, please see "— Exclusive Commercial Cooperation Agreement."

For the U.S. market, we intends to adopt a collaborative commercialisation strategy as well. We are actively exploring opportunities to cooperate with prospective overseas partners to jointly commercialize PL-5 in the U.S. Accordingly, the definitive sales and distribution pathways in the U.S., encompassing potential engagements with local hospitals or clinics will be strategically determined and deployed in conjunction with such partners upon the formalisation of these collaborative arrangements. As of the Latest Practicable Date, our key products remain in the clinical development stages. Given that the preliminary phase of their clinical progression of our key products, we have not formulated any definitive commercialization strategy as of the Latest Practicable Date.

Going forward, as our Core Product and other drug candidates approach commercialization, we plan to progressively strengthen our commercialization capabilities through a combination of internal sales and marketing resources and external marketing and distribution partnerships, with the goal of achieving broader patient access and maximizing the value of our product pipeline.

SALES AND MARKETING

Sales

During the Track Record Period, all our sales efforts were conducted in relation to our daily-care products. We sold such products in China, either directly by ourselves, or indirectly through distributors.

Distributors

During the Track Record Period, we primarily sold our daily care products through the network of third-party distributors which include typical buy-out distributors and consignment distributors. To the best of our Directors' knowledge, all of our distributors are Independent Third Parties, and none of them were controlled by our current or former employees. These distributors are typically established entities with major business in retail of pharmaceuticals and daily necessities, possessing the requisite business licenses and established sales network to penetrate regional markets effectively. We select our distributors based on a rigorous set of criteria, including their creditworthiness, geographical coverage, market reputation, and historical sales performance. We benefit from our distributors' established distribution channels and local resources, which enable us to save costs and increase the effectiveness of launching and selling our daily-care products in our target markets within a short period of time. We have been selling daily-care products to distributors in China since 2015. As of June 30, 2026, we had 97 distributors in China. To the best knowledge of our Directors, during the Track Record Period, all of our distributors were Independent Third Parties. In 2024, 2025 and the six months ended June 30, 2026, the revenue attributable to our distributors was RMB3.6 million, RMB1.9 million and RMB0.7 million, accounting for 69.7%, 57.3% and 31.4% of the revenue generated from sales of daily-care products in China, respectively. Our gross profit margin from sales of daily-care products by distributors 37.4% in 2024, 24.3% in 2025 and 27.5% in the six months ended June 30, 2026, respectively. We either have a seller-buyer relationship or a consignment sales relationship with our distributors.

We generally enter into distribution agreements with our distributors. The principal terms of our distribution agreements with buy-out distributors are substantially similar to those with our consignment distributors, with the only material distinction being the transfer of title to and risk of our products. Under the consignment model, title to and risk of our products remain with us until the products are ultimately sold to the end-customers. Conversely, our arrangement with buy-out distributors operates on a principal-to-principal basis, where title and risk transfer to the buy-out distributors upon their acceptance of the products. According to Frost & Sullivan, it is not uncommon to adopt a hybrid distribution model that utilizes both buy-out distributors and consignment distributors in order to optimize market penetration and adapt to the diverse procurement preferences. Individual sales contracts or purchase orders are generally separately entered into or placed for each purchase. Key terms of our distribution agreements include:

Term	Typically one to three years.
Designated distribution area	Distributors are generally not allowed to sell or distribute our products outside of their designated distribution areas.
Price and payment methods	Our selling prices and payment methods are typically specified in the distribution agreements
Resale price management	We generally do not allow malicious underpricing and require our distributors to follow our recommended retail price.
Exclusivity	Some distributors are granted the distributorship of specific specifications of products agreed upon in the distributor agreements in their designated distribution areas on an exclusive basis, while other distributors are generally granted the distributorship on a non-exclusive basis.

Inventory level	We generally do not require our distributors to maintain a minimum inventory level.
Return of products	We generally do not allow product returns except for defective products.
Sub-distributors	We do not have contractual relationships with sub-distributors engaged by our distributors, nor do we manage such sub-distributors directly.
Minimum purchase amount	Minimum purchase amount is 100 bottles per order in general.
Confidentiality	We generally specify the term of confidentiality in the distribution agreements.
Termination	We may terminate the distribution agreements in the event of, among others, any material breach by our distributors, such as sales outside of their designated distribution areas.

Selection and Management of Distributors

We select our distributors based on their proven sales capabilities, knowledge of their target markets, warehouse management, financial stability, credit records and expertise and experience of their management teams. We require all our distributors to possess all licenses and permits necessary for the sales and distribution of our daily-care products. We require our distributors to meet our annual sales targets during their term of engagement. Our annual sales targets may vary among distributors based on factors such as general market conditions, economic development levels, our market penetration, and estimated customer demand in the designated distribution area as well as historical performance of the distributors.

The table below sets forth the number of our distributors and their movements for the periods indicated.

	Year Ended December 31,		Six Months Ended June 30,
	2024	2025	2026
Number of distributors at the beginning of the year/period	137	123	86
Number of new distributors during the year/period	39	20	15
Number of terminated distributors during the year/period	53	57	4
Number of distributors at the end of the year/period	123	86	97

In 2024, 2025 and the six months ended June 30, 2026, we terminated the relationship with 53, 57 and four distributors. During the Track Record Period, we terminated our business relationships with certain distributors primarily due to: (i) their failure to meet the sales targets during our performance assessments; (ii) severe operational or financial difficulties of the distributors (including prolonged delays in settling outstanding payments to us); and (iii) violation of our sales and pricing policies as discovered through our regular on-site spot checks and random checks conducted on e-commerce platforms.

In order to manage the risk of cannibalization of sales among our distributors, we specify the designated geographic area for which our distributors are responsible in our distribution agreements with them. The agreements also prohibit distributors from distributing our products outside their respective designated geographic areas. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any material cannibalization or competition among our distributors within the same geographical area. Our Directors are of the view that the above measures are sufficient to mitigate potential cannibalization and competition among distributors.

Some of our distributors may engage sub-distributors within their respective designated distribution areas and channels. To the best of our knowledge, some of our distributors have engaged sub-distributors during the Track Record Period. In line with the market practice, as confirmed by Frost & Sullivan, we do not enter into contractual relationships with sub-distributors engaged by our distributors, and our distributors select and enter into separate agreements with the sub-distributors. Consequently, we do not exercise direct control over the sub-distributors and mainly rely on our distributors to manage and control their sub-distributors in accordance with regulatory requirements, the terms of the distribution agreements we entered into with our distributors and our policies and measures that our distributors agree to comply with. Although we primarily rely on our distributors to directly control their sub-distributors, we have adopted a special code system (pursuant to which each of our products carry a special code which contain information including the specific distributor who purchases such product from us). We conduct random purchases of products suspected of channel diversion or price violations and trace the distributors by tracking the special codes. Through which, we are able to identify and assess whether a given product was sold by the corresponding distributor within the designated distribution area or channel.

Furthermore, we have implemented the following policies and measures to mitigate the risk of inventory accumulation in the distribution channels. For consignment distributors, we usually conduct settlements with them periodically, for instance, monthly or quarterly; therefore, it is less likely to have inventory accumulation issues. For buy-out distributors, they are required to provide us with information, including but not limited to sales and inventory data of our product. We monitor our distributors' inventory level through regular on-site visit. We also review and evaluate sales data of our distributors on a regular basis, which enables us to make periodic assessments of actual market demand for our products. We actively adjust our sales strategy and geographic or product coverage of each distributor based on market demand and each distributor's capacity. During the Track Record Period and up to the Latest Practicable Date, we did not notice any abnormally high inventory level of our distributors.

Direct Sales

We also directly sell daily-care products to consumers in China through e-commerce channels and have established our online channels, primarily through the opening of online stores on Tmall, JD.com, Douyin, Pinduoduo and other e-commerce platforms since 2016 in China. As of June 30, 2026, we had 11 direct sales online stores in China. In 2024, 2025 and the six months ended June 30, 2026, the revenue attributable to our direct sales customers was RMB1.6 million, RMB1.4 million and RMB1.5 million, accounting for 30.3%, 42.7% and 68.6% of the revenue generated from sales of daily-care products in China, respectively. Our gross profit margin from sales of daily-care products through direct sales 52.2% in 2024, 59.3% in 2025 and 57.2% in the six months ended June 30, 2026, respectively.

Marketing

Our in-house sales and marketing team is primarily responsible for the promotion of our daily-care products through various marketing activities and sales through different channels in China. As of the Latest Practicable Date, our in-house sales and marketing team included 11 employees, with an average of approximately eight years of daily-care products industry-related experience. Our in-house sales and marketing personnel are required to strictly adhere to our detailed procedures, policies, and guidelines, including but not limited to a code of conduct on interacting with, and promoting our products to, healthcare professionals. For details, please see "— Risk Management and Internal Control."

INTELLECTUAL PROPERTY

Intellectual property rights are important to the success of our business, and we are committed to the development and protection of our intellectual properties. We rely on a combination of patent and other intellectual property rights, as well as confidentiality procedures, non-disclosure agreements, employee non-disclosure and invention assignment agreements, and other contractual restrictions to establish and protect our commercially important technologies, inventions and know-how related to our business.

We have a global portfolio of patents to protect our drug candidates and technologies. As of the Latest Practicable Date, we owned (i) 71 issued patents in China, (ii) two issued patents and one licensed-in patent in the U.S., (iii) three issued patents in other jurisdictions, including Japan and

Europe, and (iv) 27 pending patent applications, including 16 in China, two in the U.S., one under the Patent Cooperation Treaty (PCT) which has not entered into national phases, and eight in other jurisdictions. As our IP Counsel advised, except for the compound patents in China and in the U.S., we own all patents in relation to our Core product.

In December 2025, a Chinese patent we licensed from the University of Colorado covering the underlying antimicrobial peptide compound of our Core Product expired, and a U.S. patent we licensed from University of Colorado covering the same compound is expected to expire in October 2028. Despite the expiration (and expected expiration) of these patents, we believe we have established a robust and effective defensive moat for our Core Product. As of the Latest Practicable Date, with respect to our Core Product, PL-5, we owned five patents in China, and one patent in Japan, covering the specific sequence-related formulation used in PL-5. These patents have all been granted directly to us, and will remain valid until 2041. As confirmed by our IP Counsel, such patent portfolio covers almost all the possible principal topical routes of administration of PL-5, including spray (suitable for large-area or pain-sensitive wounds), cream (suitable for superficial infected wounds), gel (suitable for infected wounds with slough that require maintenance of a moist environment), topical solution/liquid (suitable for wound irrigation and wet dressing applications), and lyophilized formulations (suitable for scenarios requiring a reconstituted antimicrobial solution with high concentration and high activity for complex wounds or drug-resistant infections), which represent the most commonly used and principal conventional dosage forms for treating secondary wound infections as confirmed by Frost & Sullivan. We believe that this multi-dosage-form coverage enables us to address different wound types and clinical use scenarios, and forms an effective barrier to deter competition from generic drugs. In addition to the above-mentioned issued patents, as of the Latest Practicable Date, we also had four pending patent applications in relation to PL-5, including one in China, one in the U.S., and two in other jurisdictions, namely Japan and the European Union.

We believe our multi-dosage form, multi-jurisdictional and regionally diversified patent portfolio serves as a defensive moat for our Core Product, based on the following considerations:

First, we own five patents in China and one patent in Japan covering PL-5 which will remain valid until 2041, and such patent portfolio covers PL-5 across multiple dosage forms, including sprays, creams, gels, paints and lyophilized formulations (the "**Relevant Patents**"). We understand that, in light of considerations relating to the stability, developability, and compatibility with excipients of the PL-5 compound, the Relevant Patents cover almost all topical dosage forms that may be applicable to PL-5 so that we have sufficient coverage for the dosage forms of PL-5.

Second, each of these patents specifies formulation compositions and methods of use for specific types of infections, wound types, or drug-resistant scenarios in its patent specification. In particular, we have defined suitable concentration ranges for the key ingredients of each dosage form, reflecting data collected during our R&D process and taking into account considerations relating to stability, developability, and compatibility with excipients, based on the nature of the PL-5 compound. As a result, it would be difficult for competitors to develop commercially competitive drug products based on the PL-5 compound without infringing or circumventing our patents.

Third, we have also filed four patent applications in relation to PL-5, including two divisional applications based on existing patents and two patent applications filed in Europe and the United States. As confirmed by our Intellectual Property Legal Advisor, these patent applications may further expand our existing patent coverage in terms of both geographical scope and formulation specifications. In addition, we continue to carry out ongoing R&D of PL-5 and may, based on new technical ideas or developments arising from such R&D activities, apply for further patents in the future.

In summary, our PL-5 patent portfolio not only provides protection at the level of individual inventions, but also, through a multi-dimensional combination of dosage forms, indications, administration regimens and multi-jurisdictional coverage, establishes a layered and integrated "composition–formulation–application–commercialization pathway" patent barrier, thereby supporting the long-term competitiveness and commercial value of our Core Product. In addition, following the NDA approval, PL-5 was granted a six-year drug trial data protection period, during which other applicants for generic or improved new drugs may not rely on our protected trial data and would generally need to independently generate the relevant clinical data, thereby providing an additional layer of regulatory protection for PL-5.

According to Frost & Sullivan, our patent strategy is in line with industry practice, and our formulation patents can fully protect our commercial rights against potential generic drug developer from an industry perspective.

Based on the above, our Directors believe, and the Sole Sponsor concurs, that the expired PRC patent and the U.S. patents which are nearing expiry do not have, and will not have, any material impact on our R&D activities or the commercialization of the Core Product.

As of the Latest Practicable Date, (i) we have one PCT patent application and one issued patent in China regarding our key product PL-3301; and (ii) we have three issued patents in China, the U.S. and the European Union, respectively and no patent application regarding our key product PL-18.

The following table sets forth the portfolio of patents and patent applications material to our business operations as of the Latest Practicable Date:

Product	Key Technologies	Patent Number	Patent Type	Patentee	Jurisdiction	Patent Status	Patent Grant Date	Patent Expiration*
PL-5	Antimicrobial peptides and methods of use[2]	US8,252,737B2	Invention	University of Colorado	U.S.	Granted	2012.08.28	2028.10.13
PL-5	An antibacterial peptide liquid composition and its preparation[1]	ZL202110068276.3	Invention	Our Group	China	Granted	2024.04.09	2041.01.19
PL-5	An antibacterial peptide liquid composition and its preparation[1]	特許第7731153號	Invention	Our Group	Japan	Granted	2025.08.21	2041.01.19
PL-5	An antibacterial peptide cream and its preparation methods[1]	ZL202110472836.1	Invention	Our Group	China	Granted	2024.05.10	2041.04.29
PL-5	A topical antibacterial peptide gel and its preparation methods[1]	ZL202110472490.5	Invention	Our Group	China	Granted	2023.10.31	2041.04.29
PL-5	An antibacterial peptide coating and its preparation methods[1]	ZL202110482050.8	Invention	Our Group	China	Granted	2024.06.07	2041.04.30
PL-5	An anti-infective antibacterial peptide lyophilized preparation and its preparation methods[1]	ZL202110483679.4	Invention	Our Group	China	Granted	2022.07.29	2041.04.30
PL-3301 . . .	An anti-infective antibacterial peptide and its use	ZL201510403782.8	Invention	Our Group	China	Granted	2018.06.19	2035.07.13
PL-18	An antibacterial peptide, its preparation methods and use	ZL201110095737.2	Invention	Our Group	China	Granted	2013.03.20	2031.04.18
PL-18	An antibacterial peptide, its preparation methods and use	US9,273,095B2	Invention	Our Group	U.S.	Granted	2016.03.01	2032.01.17
PL-18	An antibacterial peptide, its preparation methods and use	EP2735570B1	Invention	Our Group	EU	Granted	2018.01.03	2032.01.17
PL-MD-333 . .	Ethylenediamine derivatives, its preparation method and use	ZL202211660703.8	Invention	Our Group	China	Granted	2025.04.11	2042.12.23
PL-5	Antimicrobial peptide liquid composition and its preparations	CN202410305699.6	Invention	Our Group	China	Pending	N/A	N/A

Product	Key Technologies	Patent Number	Patent Type	Patentee	Jurisdiction	Patent Status	Patent Grant Date	Patent Expiration*
PL-5	An antimicrobial peptide liquid composition and its preparations	特願2025-134445	Invention	Our Group	Japan	Pending	N/A	N/A
PL-3301 . . .	Antimicrobial peptides	PCT/CN2021/072665	Invention	Our Group	PCT	Pending	N/A	N/A
PL-AC-1001. .	Process for preparing trans-vinyl sulfones	CN202411063528.3	Invention	Our Group	China	Pending	N/A	N/A
PL-AC-1001. .	Pyrimidine compounds, preparation method and use	CN202510419797.7	Invention	Our Group	China	Pending	N/A	N/A

Note:

* *Patent expiration date does not include any applicable patent term extensions.*

(1) Specific sequence-related formulation patents used in PL-5

(2) The "Antimicrobial Peptides and Methods of Use" license is in-licensed from the University of Colorado. We originally acquired two licenses in relation to the compound patents of PL-5, namely the "Antimicrobial Peptides and Methods of Use" in China and the U.S. However, the "Antimicrobial Peptides and Methods of Use" in China expired in December 2025. Therefore, as of the Latest Practicable Date, we only have one effective license in the U.S. regarding the "Antimicrobial Peptides and Methods of Use".

In addition to patents, we also rely on trade secrets, unpatented know-how, and proprietary information to maintain our competitive position, and as confirmed by Frost & Sullivan, it is inherently difficult for competitors to reverse engineer the formulation of our Core Product and other product candidates and develop a drug that would be bioequivalent to our Core Product.

Furthermore, our market position is reinforced by significant regulatory barriers. According to Frost & Sullivan, under the Administrative Measures for Drug Registration and related PRC regulations, any competitor seeking to develop a new formulation based on the PL-5 sequence would be required to complete a lengthy and costly process of IND filings and clinical trials. As of the Latest Practicable Date, we are not aware of any third parties who have completed, or are currently conducting, such clinical research. Therefore, we believe that our comprehensive patent portfolio across China, the U.S., and other key jurisdictionsintegrated with these stringent regulatory requirementsestablishes a robust and effective defensive moat for our Core Product.

The actual protection afforded by a patent varies on a claim-by-claim and jurisdiction-by-jurisdiction basis and depends on many factors, including the type of patent, the scope of its coverage, the availability of any patent term extensions or adjustments, the availability of legal remedies in a particular jurisdiction, and the validity and enforceability of the patent. We cannot provide any assurance that patents will issue with respect to any of our patent applications or any such patent applications that may be filed in the future, nor can we provide any assurance that any of our issued patents or any such patents that may be issued in the future will be commercially useful in protecting our drug candidates and methods of manufacturing the same. For a detailed description of risks related to our intellectual property, please see "Risk Factors — Risks Relating to Our Intellectual Property Rights." According to the freedom-to-operate ("**FTO**") search and analysis conducted by our IP counsel on our Core Product and key products in China and U.S., our Directors and our IP counsel believe that (i) we can implement the product technology of all of Core Product and key products in China and U.S. without any material risk of patent infringement; (ii) given that we do not have plan to commercialize our Core Product in Australia as of the Latest Practicable Date, our Directors are of the view that the FTO search and analysis in China and the U.S. should be sufficient to prevent potential risks in relation to the infringements of IP rights.

As of the Latest Practicable Date, we have not applied for any key IP rights in relation to our technology platforms, as they primarily consist of know-how and proprietary technology and, given their confidential nature, patent protection is less likely to be suitable.

As of the Latest Practicable Date, we had 75 registered trademarks in China and we are also the registered owner of two domain names.

We enter into license and collaboration agreements and other relationships with biopharmaceutical companies and other industry participants, through which we may grant access to our own intellectual property, or gain access to the intellectual property of others. For details, please see "— Our Collaborations and Licensing Arrangements."

During the Track Record Period and up to the Latest Practicable Date, (i) we were not involved in any legal, arbitral or administrative proceedings in respect of, and we had not received notice of any material claims of infringement, misappropriation or other violations of third-party intellectual property; and (ii) we were not involved in any proceedings in respect of any intellectual property rights that may be threatened or pending and that may have an influence on the research and development for any of our drug candidates in which we may be a claimant or a respondent.

SUPPLIERS AND PROCUREMENT

During the Track Record Period, our suppliers primarily consisted of CROs, SMOs, and suppliers of R&D materials. Purchases from our five largest suppliers for the year ended December 31, 2024 and 2025 and the six months ended June 30, 2026 were RMB43.7 million, RMB22.0 million and RMB14.1 million, respectively, representing 54.7%, 45.9% and 52.7% of our total purchases for the respective years/period. Purchases from our single largest supplier for the year ended December 31, 2024 and 2025 and the six months ended June 30, 2026 were RMB21.5 million, RMB16.0 million and RMB6.1 million, respectively, representing 27.0%, 33.3% and 22.6% of our total purchases for the respective years/period.

We select our suppliers based on their quality, costs, delivery standards, industry reputation and compliance with or qualification under relevant regulations and industry standards. We believe that we maintain strong and stable relationships with our major suppliers. During the Track Record Period, we did not experience any material disputes with our suppliers, difficulties in the procurement of raw materials or services, disruptions to our operations due to a shortage of or delay in supply of raw materials or services, or significant fluctuations in raw material and/or service prices. For the summary of the key terms of our suppliers, please see "— Research and Development — Collaboration with CROs and SMOs" and "— Research and Development — Collaboration with CDMOs."

The following table sets forth details of our five largest suppliers in each year/period during the Track Record Period:

Supplier	Supplier background	Registered capital	Products/service purchased	Credit term	Year of commencement of business relationship	Payment method	Purchase amount	% of total purchases
							(RMB'000)	
For the Six Months Ended June 30, 2026								
Supplier A	A HKEX-listed company located in Zhejiang and primarily engaged in medical research and experimental development, providing full-process services for pharmaceutical R&D, including Phase I-IV clinical trials, data management and statistical analysis, and regulatory filing.	RMB861 million	CRO Services	Installment payments to be made within 30 days upon completion of milestones, as applicable	2019	Bank transfer	6,059	22.6
Clinical Service Center Co., Ltd. (蘇州科林利康醫藥科技股份有限公司)	A Jiangsu company primarily engaged in medical research, technical services, as well as sales of Class I medical devices and mechanical equipment.	RMB10 million	CRO Services	Installment payments to be made within 15 days upon completion of milestones, as applicable	2025	Bank transfer	2,923	10.9
Joinn Laboratories (China) Co., Ltd. (北京昭衍新药研究中心股份有限公司)	A Hong Kong-listed company, which also listed on the Shanghai Stock Exchange, headquartered in Beijing and specialised in non-clinical safety assessment of pharmaceuticals, providing comprehensive services across the drug development value chain.	RMB749 million	Animal Studies Execution Services	30% to 70% advance payment within 10 days upon execution of the contract, with the balance to be paid within 10 days upon completion of milestones, as applicable	2020	Bank transfer	2,110	7.9
Supplier H	A Sichuan professional peptide drug R&D and manufacturing company whose core business covers full industry chain services for peptide APIs, formulations, and innovative drugs from the preclinical stage to industrialization.	RMB50 million	CDMO Services (Polypeptide API)	Installment payments to be made within 15 days upon completion of milestones, as applicable	2011	Bank transfer	1,770	6.6

Supplier	Supplier background	Registered capital	Products/service purchased	Credit term	Year of commencement of business relationship	Payment method	Purchase amount	% of total purchases
							(RMB'000)	
Pharmaron Beijing Co., Ltd. (康龍化成(北京)新藥技術股份有限公司)	A company dually listed in SSE and HKEX, offering end-to-end drug discovery, development and manufacturing services across small-molecule, biologics and cell and gene therapy modalities.	RMB178 million	CDMO Services	31.32% to 50% advance payment within 10 to 20 days following the receipt of the invoice upon execution of the contract, with the balance to be paid within 10 to 20 days following the receipt of the invoice upon completion of milestones, as applicable	2025	Bank transfer	1,278	4.7
							14,140	52.7
For the year ended December 31, 2025								
Supplier A	A HKEX-listed company located in Zhejiang and primarily engaged in medical research and experimental development, providing full-process services for pharmaceutical R&D, including Phase I-IV clinical trials, data management and statistical analysis, and regulatory filing.	RMB861 million	CRO Services	Installment payments to be made within 30 days upon completion of milestones, as applicable	2019	Bank transfer	15,963	33.3
Supplier H	A Sichuan professional peptide drug R&D and manufacturing company whose core business covers full industry chain services for peptide APIs, formulations, and innovative drugs from the preclinical stage to industrialization.	RMB50 million	CDMO Services (Polypeptide API)	Installment payments to be made within 15 days upon completion of milestones, as applicable	2011	Bank transfer	2,516	5.3
Supplier E	A Nanjing company primarily engaged in the development, construction, operation, and management of university science and education innovation parks, focusing on the establishment of technology innovation platforms, industrial incubation, and the integration of industry-university-research resources.	RMB1,977 million	Property leasing service	Payments to be made semi-annually within 10 days prior to each due date	2020	Bank transfer	1,472	3.1
Clinical Service Center Co., Ltd. (蘇州科林利康醫藥科技股份有限公司)	A Jiangsu company primarily engaged in medical research, technical services, as well as sales of Class I medical devices and mechanical equipment.	RMB10 million	CRO Services	Installment payments to be made within 15 days upon completion of milestones, as applicable	2025	Bank transfer	1,112	2.3
Guangzhou Huayin Medical Research Institute Co., Ltd.(廣州華銀醫學研究所有限公司)	A Guangdong company primarily engaged in third-party medical testing services with pathological diagnosis at its core, covering clinical testing, telepathology, and specialized technology platforms, while providing scientific research support.	RMB5 million	CRO Services	10% to 30% advance payment to be made within 30 days upon execution of the contract, and the balance to be paid within 60 to 90 days after reconciliation every 1 to 3 months	2020	Bank transfer	888	1.9
							21,951	45.9

Supplier	Supplier background	Registered capital	Products/service purchased	Credit term	Year of commencement of business relationship	Payment method	Purchase amount	% of total purchases
							(RMB'000)	
For the year ended December 31, 2024								
Supplier A	A HKEX-listed company located in Zhejiang and primarily engaged in medical research and experimental development, providing full-process services for pharmaceutical R&D, including Phase I-IV clinical trials, data management and statistical analysis, and regulatory filing.	RMB861 million	CRO Services	Installment payments to be made within 30 days upon completion of milestones, as applicable	2019	Bank transfer	21,533	27.0
Supplier B	A U.S.-based contract research organization (CRO) specializing in biopharmaceutical outsourcing, providing comprehensive clinical research, medical communications, consulting, commercialization, and advanced technology products to the global pharmaceutical, biotechnology, and medical device industries, with specific services covering clinical trial management, observational studies, data management, biostatistics, epidemiology, health economics/outcomes research,pharmacovigilance,medical communication, clinical pharmacology, patient recruitment, post-marketing surveillance, regulatory product development, and commercialization consulting.	USD0.5 million	CRO Services	Installment payments to be made within 30 days upon completion of milestones, as applicable	2023	Bank transfer	11,827	14.8
Supplier C	A Shanghai company primarily engaged in the R&D, manufacturing, and sales of electronic products, focusing on smart hardware and solutions.	RMB20 million	Laboratory Equipment	90% prepayment to be made before shipment and the balance within 30 days after inspection and acceptance	2024	Bank transfer	4,478	5.6
Supplier H	A Sichuan professional peptide drug R&D and manufacturing company whose core business covers full industry chain services for peptide APIs, formulations, and innovative drugs from the preclinical stage to industrialization.	RMB50 million	CDMO Services (Polypeptide API)	Installment payments to be made within 15 days upon completion of milestones, as applicable	2011	Bank transfer	2,922	3.7
Supplier D	A Jiangsu company engaged in construction engineering	RMB10 million	Building Construction and Maintenance	Installment payments to be within 7 days upon acceptance of the completed work	2023	Bank transfer	2,898	3.6
							43,658	54.7

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.

All of our five largest suppliers in each year during the Track Record Period were Independent Third Parties. None of our Directors or their close associates or, to the knowledge of our Directors, any Shareholder with over 5% of the share capital of our Company has any interest in any of our five largest suppliers in each year during the Track Record Period.

Raw Materials

During the Track Record Period, the raw materials we purchased and consumed for (i) our daily care products amounting to RMB2.0 million, RMB1.3 million and RMB0.9 million in 2024, 2025 and the six months ended June 30, 2026, respectively, accounting for 66.7%, 65.0% and 81.8% of our cost of sales in the respective years/period; and (ii) our drug candidates amounting to RMB7.4 million, RMB8.4 million and RMB5.7 million in 2024, 2025 and the six months ended June 30, 2026, respectively, accounting for 9.2%, 14.6% and 23.4% of our research and development expenses in the respective years/periods. During the Track Record Period, we did not experience any significant fluctuations in raw material prices or delays that had a material impact on our results of operations or financial position. The raw materials for our drug candidates to be used in clinical trials as well as materials for our laboratory use are generally readily available in the market through multiple suppliers.

CUSTOMERS

Our core pharmaceuticals have not yet been launched, nor have we generated any revenue from patent licensing. Our current customer base contained daily-care products customers only. Therefore, for salient terms of the agreements typically entered into with our customers, see "— Sales and Marketing — Sales — Distributors."

In 2024, 2025 and the six months ended June 30, 2026, revenue generated from our five largest customers in each year/period amounted to RMB1.9 million, RMB1.1 million and RMB0.4 million, representing 36.9%, 32.9% and 20.2% of our total revenue for the respective years/periods, respectively. Revenue generated from our single largest customer in each year/period amounted to RMB0.6 million, RMB0.4 million and RMB0.2 million, representing 11.5%, 13.5% and 10.8% of our total revenue for the respective years/periods, respectively. The following table sets forth details of our five largest customers in each year/period during the Track Record Period:

Customer	Customer background	Registered capital	Products/service purchased	Credit term	Year of commencement of business relationship	Payment method	Revenue contribution	% of total revenue
							(RMB'000)	
For the Six Months Ended June 30, 2026								
Hunan Mingyulongxing Pharmaceutical Sales Co., Ltd. (湖南名裕龍行醫藥銷售有限公司). . . .	A Hunan company primarily engaged in the wholesale and retail of pharmaceutical products and medical devices, and also in the provision of professional pharmaceutical distribution, marketing, and supply chain services.	RMB30 million	Daily-care products distributor	Payment to be made within 45 days after reconciliation and settlement	2019	Bank transfer	236	10.8
Nanjing Cixi Technology Co., Ltd. (南京賜禧科技有限責任公司). . .	A company primarily engaged in the sale of daily necessities, disinfection products and hygiene products.	RMB1 million	Daily-care product distributor	Shipment to be made upon full payment	2024	Bank transfer	61	2.8
Shaanxi Pharmaceutical Holdings PaiAng Pharmaceutical Co., Ltd. (陝西醫藥控股集團派昂醫藥有限責任公司).	A Shaanxi company primarily engaged in the wholesale and distribution of pharmaceuticals and the operation and sale of medical devices, together with the wholesale and sale of health food and Chinese medicinal herbs.	RMB188 million	Daily-care product distributor	Payment to be made within 37 days from the invoice date	2018	Bank transfer	56	2.5

Customer	Customer background	Registered capital	Products/service purchased	Credit term	Year of commencement of business relationship	Payment method	Revenue contribution	% of total revenue
							(RMB'000)	
Customer H	A wholly-owned trading subsidiary of a company dually listed in NASDAQ and HKEX, primarily engaged in the wholesale and retail of pharmaceuticals and medical devices, as well as health food, special medical-purpose formula food, single-use medical supplies and cosmetics.	USD1398 million	Daily-care product distributor	Payment to be made within 7 days from the payment date set forth in the settlement statement	2025	Bank transfer	48	2.2
Customer B	A Guangdong company primarily engaged in the pharmaceutical retail chain business, covering the sale of pharmaceutical products, medical devices, and health supplements, as well as the provision of related healthcare services.	RMB1139 million	Daily-care product distributor	Payment to be made within 45 days after reconciliation and settlement based on actual sales volume	2018	Bank transfer	41	1.9
							442	20.2
For the year ended December 31, 2025								
Customer F	A Hunan company primarily engaged in the pharmaceutical wholesale business, specializing in the procurement, distribution and supply chain management services of pharmaceutical products and medical devices.	RMB150 million	Daily-care product distributor	Payment to be made within 90 days after reconciliation and settlement	2018	Bank transfer	449	13.5
Hunan Mingyulongxing Pharmaceutical Sales Co., Ltd. (湖南名裕龍行醫藥銷售有限公司). . . .	A Hunan company primarily engaged in the wholesale and retail of pharmaceutical products and medical devices, and also in the provision of professional pharmaceutical distribution, marketing, and supply chain services.	RMB30 million	Daily-care product distributor	Payment to be made within 45 days after reconciliation and settlement	2019	Bank transfer, banker's acceptance	230	6.9
Customer B	A Guangdong company primarily engaged in the pharmaceutical retail chain business, covering the sale of pharmaceutical products, medical devices, and health supplements, as well as the provision of related healthcare services.	RMB1139 million	Daily-care product distributor	Payment to be made within 45 days after reconciliation and settlement based on actual sales volume	2018	Bank transfer, banker's acceptance	226	6.8
Customer E	A SSE-listed pharmaceutical retail chain located in Yunnan and primarily engaged in the sale of pharmaceutical and healthcare products and the provision of related services with professional pharmacies at its core, integrating diversified business patterns such as convenience stores and community health services.	RMB155 million	Daily-care product distributor	Payment to be made within 30 days after quarterly reconciliation	2017	Bank transfer	103	3.1
Nanjing Cixi Technology Co., Ltd. (南京賜禧科技有限責任公司). . .	A company primarily engaged in the sale of daily necessities, disinfection products and hygiene products.	RMB1 million	Daily-care product distributor	Shipment to be made upon full payment	2024	Bank transfer	88	2.6
							1,096	32.9

Customer	Customer background	Registered capital	Products/service purchased	Credit term	Year of commencement of business relationship	Payment method	Revenue contribution	% of total revenue
							(RMB'000)	
For the year ended December 31, 2024								
Hunan Mingyulongxing Pharmaceutical Sales Co., Ltd. (湖南名裕龍行醫藥銷售有限公司) . . .	A Hunan company primarily engaged in the wholesale and retail of pharmaceutical products and medical devices, and also in the provision of professional pharmaceutical distribution, marketing, and supply chain services.	RMB30 million	Daily-care products distributor	Payment to be made within 45 days after reconciliation and settlement	2019	Bank transfer, banker's acceptance	597	11.5
Customer B	A Guangdong company primarily engaged in the pharmaceutical retail chain business, covering the sale of pharmaceutical products, medical devices, and health supplements, as well as the provision of related healthcare services.	RMB1139 million	Daily-care products distributor	Payment to be made within 45 days after reconciliation and settlement based on actual sales volume	2018	Bank transfer, banker's acceptance	588	11.3
Customer C	A Guangdong company primarily engaged in the R&D, production, and sale of pharmaceutical products, with a core focus on the manufacture of chemical drugs and the marketing of related pharmaceutical products.	RMB5 million	Daily-care products distributor	Shipment to be made upon full payment	2024	Bank transfer	261	5.0
Customer D	A Guangdong new retail company centered around its online platform to engage in B2C pharmaceutical retail, O2O instant delivery, and health management services	RMB500 million	Daily-care products distributor	Payment to be made within 30 days after reconciliation in the following month based on actual sales volume	2018	Bank transfer	244	4.7
Customer E	A SSE-listed pharmaceutical retail chain located in Yunnan and primarily engaged in the sale of pharmaceutical and healthcare products and the provision of related services with professional pharmacies at its core, integrating diversified business patterns such as convenience stores and community health services.	RMB155 million	Daily-care products distributor	Payment to be made within 30 days after quarterly reconciliation	2017	Bank transfer	228	4.4
							1,918	36.9

To the best of our knowledge, the top five largest customers in each year during the Track Record Period are Independent Third Parties. None of our Directors, their respective associates or any shareholder who, to the knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, has any interest in any of the five customers during the Track Record Period.

During the Track Record Period and up to the Latest Practicable Date, we have no overlapping customers and suppliers, who was also our five largest customers or suppliers in each year/period during the Track Record Period.

COMPETITION

As of the Latest Practicable Date, only a limited number of peptide-based anti-infective drugs have been approved by the FDA, and most of such approvals were granted in earlier years, with one product approved as early as the 1970s and only five approvals in nearly 25 years, according to Frost & Sullivan. In China, peptide-based anti-infective drugs approved by the NMPA are also limited, with only seven such products approved, and the approved product landscape in this field remains highly concentrated and sparsely populated. As of the Latest Practicable Date, there were six clinical-stage peptide-based anti-infective drug candidates under development overseas and seven clinical-stage peptide-based anti-infective drug candidates in China. Any drug candidates successfully developed and commercialized by us will compete with existing drugs or any new drugs that may become available in the future. For more information on the competitive landscape of our drug candidates, please see "Industry Overview — Peptide-based Anti-infective Drug Market."

EMPLOYEES

As of the Latest Practicable Date, we had 111 employees and all of them are in China. The following table sets forth the number of our employees categorized by functions as of the Latest Practicable Date:

Function	Number of employees	As a percentage of our total number of employees
R&D	36	32.4%
CMC and Regulatory Affairs	43	38.7%
General and Administration	21	18.9%
Sales personnel	11	9.9%
Total	111	100.0%

Employee Agreement

We enter into individual employment contracts with our employees covering salaries, bonuses, employee benefits, workplace safety, confidentiality obligations, work product assignment clause and grounds for termination. We also enter into confidentiality and non-competition agreements with our senior management and certain key members of our R&D team and other employees who have access to trade secrets or confidential information about our business.

Employee Training

To maintain our workforce's quality, knowledge, and skill levels, we also provide trainings based on the needs of our employees in different departments. We regularly organize training sessions conducted by senior employees or third-party consultants covering various aspects of our business operations including overall management, project execution and technical know-how. We also set up an annual training budget, which will be used to attend external training upon application of our employees.

Employee Benefits

Our employees' remuneration comprises salaries, bonuses, house provident funds, social insurance premium, and other welfare payments. Furthermore, we provide various incentives and benefits, including bonuses and share-based compensation, to our employees, particularly our key employees.

We strive to create an equitable, inclusive, and diverse workplace while fostering positive working relationships with our employees. We believe that we maintain a good working relationship with our employees. During the Track Record Period, we did not have any strikes, protests or other material labor conflicts that may materially affect our business and image.

INSURANCE

We maintain insurance policies that we consider to be in line with market practice and adequate for our business. Our principal insurance policies cover AEs in clinical trials and we also maintain social insurance for our employees in accordance with relevant PRC laws and regulations. We have also taken out employers' liability insurance for employees to specifically cover various accidental incidents. Although our production processes are simple and the risk of work-related injuries is relatively low, this insurance can effectively cover accidental scenarios that may occur during employees' commutes, further improving our risk protection system.

SOCIAL, HEALTH, WORK SAFETY AND ENVIRONMENTAL MATTERS

Environmental, Social and Governance Matters

We recognize the importance of Environmental, Social and Governance (ESG) management to our sustainable development and core operations. Upon **[REDACTED]**, we will comply with Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and publish an annual ESG report.

ESG Governance

We plan to gradually establish a sound ESG governance structure upon **[REDACTED]**. The Board of Directors will bear ultimate responsibility for ESG matters, including identifying and supervising ESG risks, reviewing ESG targets and progress, approving the ESG report, and integrating ESG into business strategy.

We intend to establish an ESG Working Group to support the Board. The ESG Working Group will assess ESG risks and material issues, formulate and monitor ESG targets, policies and initiatives. We will maintain continuous communication with stakeholders and allocate resources to high-impact ESG areas.

Environmental Matters

We strictly adhere to environmental protection laws and regulations in the jurisdictions where we operate, including the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), the Atmospheric Pollution Prevention and Control Law of the PRC (《中華人民共和國大氣污染防治法》), the Water Pollution Prevention and Control Law of the PRC (《中華人民共和國水污染防治法》), and the Law of PRC on the Prevention and Control of Environmental Pollution by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》). Concurrently, we have established internal policies such as the Environmental Protection Responsibility System (《環境保護責任制》) and the Hazardous Waste Environmental Management System (《危險廢物環境管理制度》).

Emissions Management

We adhere to an air emissions control strategy that emphasizes both source reduction and end-of-pipe treatment. At source, we reduce the generation of volatile organic compounds (VOCs) by using benzalkonium compounds to decrease the use of anhydrous ethanol as a disinfectant. For end-of-pipe treatment, we employ activated carbon adsorption to further treat organic emissions. These measures effectively help ensure that our air emissions concentrations comply with applicable national and local standards.

We implement full life cycle management of waste. At source, we reduce waste generation through the reuse of certain packaging materials. For disposal, we implement strict segregation, labeling, collection, and temporary storage management. Hazardous waste is transferred to qualified third-party service providers for compliant treatment and disposal, while general non-hazardous waste is handled by the local sanitation authority, ensuring the entire process from generation to disposal is compliant with the applicable laws and regulations.

The following table sets out the waste produced during the indicated periods:

		Year Ended December 31,			Six Months Ended June 30,
	Unit	2023	2024	2025	2026
Non-hazardous waste	**Tonnes**	14.50	15.80	16.80	7.80
Non-hazardous waste intensity	**Tonnes/RMB10,000 of revenue**	0.02	0.03	0.05	0.04
Hazardous waste	**Tonnes**	10.95	6.58	2.60	2.89
Hazardous waste intensity	**Tonnes/RMB10,000 of revenue**	0.02	0.01	0.01	0.01

Resources Management

We integrate energy conservation into daily operations and have formulated the Energy Saving and Consumption Reduction Management System (《節能降耗管理制度》). In production, we promote energy-saving upgrades and have implemented electricity-saving renovations for air compressors and screw chillers to reduce industrial energy consumption. In operations, we adopt intelligent management methods such as sensor-controlled lighting in offices and public areas to enhance energy efficiency. We also promote energy-saving practices among employees through communications and awareness initiatives.

We promote the recycling and conservation of water resources. Technically, we reuse purified water concentrate generated from production processes in cooling towers and implement water-saving measures such as anti-overflow technical modifications for the cooling tower, effectively improving the recycling rate of water resources. Managerially, we establish monthly and quarterly water-use targets, and adopt a metrics-based management approach to drive continuous improvements in water efficiency.

The following table sets out the energy consumption during the indicated periods:

	Unit	Year Ended December 31,			Six Months Ended June 30,
		2023	2024	2025	2026
Natural Gas	**Cubic meters**	—	1,373.38	2,784.50	1,406.15
Liquefied Petroleum Gas	**kg**	1,915.00	1,300.00	—	—
Total Purchased Electricity	**kWh**	1,295,641.70	1,249,585.80	1,211,200.30	481,567.70
Total Purchased Steam	**kg**	282,000.00	336,000.00	355,000.00	69,000.00
Direct energy consumption	**kWh**	26,711.83	30,425.62	24,922.29	12,585.56
Indirect energy consumption	**kWh**	1,590,720.61	1,601,169.16	1,582,664.87	553,767.86
Total energy consumption	**kWh**	1,617,432.44	1,631,594.78	1,607,587.16	566,353.42
Total energy consumption intensity	**kWh/RMB10,000 of revenue**	2,732.15	3,141.31	4,827.59	2,583.73

The following table sets out the water consumption during the indicated periods:

	Unit	Year Ended December 31,			Six Months Ended June 30,
		2023	2024	2025	2026
Water consumption	**Cubic meters**	13,562.00	13,973.00	14,851.00	4,486.00
Water consumption intensity	**Cubic meters/RMB10,000 of revenue**	22.91	26.90	44.60	20.47

Climate Change Response

In terms of greenhouse gas emission management, we seek to control energy consumption at the source. Through energy-saving upgrades and refined management, we reduce the intensity of greenhouse gas emissions arising from our production and operations. We also monitor potential climate-related risks, including physical risks such as extreme heat and typhoons, and transition risks such as the tightening of climate-related laws, regulations and policies. To address physical risks, we adopt preventive measures to minimize potential operational disruptions caused by them. For transition risks, we closely track developments in laws, regulations, and industry standards, adjusting our operational strategies in a timely manner to maintain compliance.

The following table sets out the greenhouse gas emissions during the indicated periods:

	Unit	Year Ended December 31,			Six Months Ended June 30,
		2023	2024	2025	2026
Total greenhouse gas emissions (Scope 1 and Scope 2)	**tCO2 equivalent**	786.20	778.98	763.34	282.32
Greenhouse gas emission intensity (Scope 1 and Scope 2)	**tCO2 equivalent/RMB10,000 of revenue**	1.33	1.50	2.29	1.29
Scope 1 emissions	**tCO2 equivalent**	5.65	6.81	6.02	3.04
Scope 2 emissions	**tCO2 equivalent**	780.55	772.17	757.32	279.28
Scope 3 emissions[1]	**tCO2 equivalent**	98.70	98.43	62.63	36.27

[1] For scope 3 greenhouse gas emissions, we have compiled and calculated the emission data corresponding to Category 3 (Fuel- and Energy-Related Activities). In the future, we will progressively improve the data collection and calculation for other categories of Scope 3 greenhouse gas emissions, and enhance the completeness and transparency of Scope 3 greenhouse gas emission disclosures.

Packaging Materials Management

In the management of packaging materials, we adhere to the principles of "reduction and reuse." While ensuring product safety and compliance, we integrate green and low-carbon development throughout the entire operational process. By implementing source reduction and the reuse of certain

packaging materials, we reduce raw material consumption and solid waste emissions. The following table sets out the consumption of packaging materials during the indicated periods:

	Unit	Year Ended December 31,			Six Months Ended June 30,
		2023	2024	2025	2026
Plastics	**Tonnes**	32.10	22.90	11.23	6.81
Paper	**Tonnes**	21.30	30.50	8.06	3.01
Packaging material consumption	**Tonnes**	53.40	53.40	19.29	9.82
Packaging material consumption intensity	**Tonnes/RMB10,000 of revenue**	0.09	0.10	0.06	0.04

Commercialization of our products will lead to an expansion of our production scale, which in turn will result in an increase in the absolute consumption and emission levels of the environmental subject areas disclosed above. We intend to continue to adopt source reduction and appropriate treatment measures for emissions, implement full life cycle management of waste, promote energy conservation and water recycling in our operations, and uphold the principles of reduction and reuse in packaging materials management where practicable. These measures are intended to support our ongoing management of energy and resource consumption and emission intensities throughout the product life cycle. We will also continue to collect annual emissions data and, once our production capacity becomes stable and comparable, formulate product-related intensity targets in respect of energy and resource consumption and emission levels.

Social Matters

We believe that our employees are an important asset of the Company, and we seek to provide a working environment that is fair, safe, healthy and efficient. We strictly comply with relevant laws and regulations in the jurisdictions where we operate, integrate social responsibility into our corporate development strategy, and actively seek synergistic and sustainable development among employee growth, corporate benefits, and social value.

Labor Standards

We implement internal policies such as the Recruitment Management System (《招聘管理制度》) and the Personnel Management System (《人事管理制度》).

We adhere to the principles of fair and equal employment, strictly prohibiting any form of discrimination in recruitment, promotion, compensation, and termination on the basis of gender, age, race, religion, disability, or other factors. We prohibit child labor and forced labor. Recruitment procedures include identity verification and pre-employment health checks to ensure employees meet the legal working age and are employed voluntarily. Any non-compliance with labor standards will be addressed immediately in accordance with applicable laws and regulations.

We respect employees' right to rest by establishing working hours and paid leave policies that meet regulatory requirements. We also provide a range of non-monetary benefits to enhance employees' sense of belonging and satisfaction. We encourage continuous learning and long-term career development, and have established clear multi-dimensional job grades and promotion pathways based on the principles of "openness, fairness, and selection on merit," to help ensure that employees have access to appropriate promotion opportunities.

Occupational Health and Safety

We attach great importance to employees' occupational health and safety (OHS), adhering to the policy of "safety first, prevention paramount." We comply with relevant laws and regulations, including the Work Safety Law of the PRC (《中華人民共和國安全生產法》) and the Regulations on the Safety Management of Hazardous Chemicals (《危險化學品安全管理條例》). We have established an OHS system including the Full Participation in the Responsibility System for Safety Production (《全員安全生產責任制》), the Hazardous Chemicals Safety Management System (《危險化學品安全管理制度》), the Management System for Easy-to-produce Toxic and Explosive Chemicals (《易制毒、易製爆化學品安全管理制度》) and the Workplace Occupational Hazard Factors Monitoring System (《作業場所職業

危害因素監控制度》), which standardize the management requirements for the procurement, storage and issuance of hazardous chemicals and implementation of hazardous chemicals. We have designated safety management roles responsible for supervising and implementing safety measures, with an aim to achieve "zero major" workplace accidents.

We manage and monitor potential occupational health risks, strictly implement the Employee Health Management Procedures (《員工健康管理規程》), conduct regular monitoring of occupational hazard factors in workplaces, and organize periodic health check-ups for employees. Employees engaged in special operations are required to hold the necessary certifications. We also conduct regular meetings and inspections to identify and address hazards promptly. In addition, we maintain work safety liability insurance coverage for employees to provide protection.

We have equipped comprehensive hazardous chemical protection facilities and emergency response devices, and continuously optimize the working environment through engineering and technical measures. To enhance employees' safety awareness and emergency response capabilities, we regularly organize safety education and training as well as emergency drills for scenarios such as hazardous chemical leaks, and have established an accident reporting mechanism to handle any incidents timely. For third-party partners, we conduct qualification reviews of service providers engaged in raw material production services and perform relevant compliance audits during the project quality audit process.

Employee Development and Training

We provide employees with multi-level and multi-dimensional training and development opportunities. We have formulated the Employee Training and Education Management System (《員工培訓教育管理制度》) to support employees' professional development and alignment of skills with job responsibilities.

We operate a two-tier training system and formulate an annual training plan covering quality-related training, management training, professional technical training, and general basic training. All new employees are required to complete induction training covering corporate culture, internal rules and procedures, and work safety knowledge. We also encourage self-directed learning through various methods, including internal training, external training, job rotation, and support for employees to participate in relevant professional qualification and academic examinations.

Product Responsibility and Trial Ethics

We adhere to the Regulation on the Administration of Laboratory Animals (《實驗動物管理條例》) and internationally accepted standards, and implement the "3R[2]" principles and the "Five Freedoms[3]" standards to ensure that animal experiments are conducted in full compliance. To demonstrate humane care, we have established a humane endpoint system to prevent animals from suffering severe pain. We require all personnel involved in animal experiments to complete professional ethics training and assessment, and have put in place an anonymous reporting mechanism to ensure that operations are standardized and that personnel possess the necessary professional competence in animal experimentation. In addition, we exercise comprehensive supervision over CROs engaged by us, which includes qualification review, on-site audits, process monitoring and handling of non-compliance.

We attach great importance to the rights and interests of trial subjects and data security in clinical trials. Through stringent ethical review, execution of informed consent forms, purchase of insurance for trial subjects, and the operation of a standardized adverse event monitoring and pharmacovigilance system, we strive to establish a multi-layered risk defense mechanism to safeguard patient safety in clinical trials. To protect patient data privacy, we adopt measures such as double-blinding and the use of coded records to prevent the leakage of sensitive information.

We are concerned about the social risks that may arise from the inappropriate use of our products. Our internal control measures include the establishment of an effective adverse reaction collection mechanism, monitoring of drug-resistant bacteria, and surveys on medication behavior. In the clinical safety summary report for Peceleganan (PL-5), we have provided detailed elaboration on the safety profile for special populations and special situations in accordance with the requirements of the

2 Replacement, Reduction and Refinement

3 Freedom from hunger and thirst, Freedom from discomfort, Freedom from pain, injury and disease, Freedom from fear and distress, Freedom to express normal behavior

application materials, covering intrinsic factors, extrinsic factors, drug interactions, use during lactation and pregnancy, and drug overdose, among others. Clinical studies have confirmed that systemic exposure of the Peceleganan (PL-5) spray following topical administration is negligible, and the expected incidence of adverse reactions from overdose is low.

Supply Chain Management

Our supply chain management is guided by the principles of "quality first, risk control, and selection on merit." We have established supplier management systems including the Procurement Management System (《採購管理制度》) and the Management Procedure for Preliminary Screening of Material Suppliers (《物料供貨商的初步篩選管理規程》), which cover procurement activities relating to materials, equipment, and instruments, third-party services and engineering construction.

We adopt a supplier assessment approach that incorporates ESG-related considerations, including suppliers' compliance with applicable requirements on environmental protection, labor standards and business ethics, with a view to promoting responsible procurement and helping ensure that our supply chain operates in a sustainable and compliant manner. For suppliers involved in serious breaches of trust or material non-compliance, we may initiate an exit mechanism in accordance with our internal provisions and, upon approval, place them on a blacklist, with a view to safeguarding the integrity and safety of the supply chain.

Business Ethics

We maintain a zero-tolerance approach to bribery, extortion, fraud, and money laundering and comply with applicable laws and regulations. We have formulated the Anti-Corruption and Whistleblowing Management System (《反腐敗及舉報管理制度》) to regulate the professional ethics of our directors, senior management, and employees.

Our stakeholders can report any potential breaches or misconduct through designated channels. We maintain confidentiality and whistleblower protection measures and prohibit retaliation. We investigate reports and, where appropriate, take disciplinary actions based on the findings, which may include termination of employment and, where applicable, referral to the relevant authorities and/or pursuit of legal liabilities. We also incorporate anti-corruption and integrity as mandatory components of our employee training and regularly provide training with a focus on new hires and employees in higher-risk roles, to help ensure understanding of applicable laws, internal policies, expected standards of conduct and consequences for breaches.

Community Investment

Our community contributions focus on healthcare, public service support and education. Leveraging our expertise and product strengths, we donate in-house developed antibacterial products to healthcare professionals and frontline personnel, including firefighters, police officers and sanitation workers to support public health and public services. We also work with local organizations to conduct outreach programs and provide material support to children in need, welfare homes and elderly care centers, demonstrating care for vulnerable groups.

PROPERTIES

We are headquartered in Jiangyin, Jiangsu Province. As of June 30, 2026, we owned (i) one property, which serves as our office, R&D center and manufacturing plant, with an aggregate GFA of over 27,000 sq.m. in Jiangyin, Wuxi City, Jiangsu Province; and (ii) one parcel of land of over 30,000 sq.m. in Taizhou City, Zhejiang Province. As of the Latest Practicable Date, we leased three properties with an aggregate GFA of approximately 2,012.8 sq.m. from Independent Third Parties in Nanjing and Changchun, which were primarily used as our office premises and R&D center in the PRC.

The following table sets forth the details of our leased properties as of the Latest Practicable Date:

Location	Type of Property	Gross Floor Area (sq.m)	Lease Term	Expiry Dates
The first floor, Office Building, No. 928, Guanggu Street, High-tech Zone, Changchun City	Building	75.0	One year	September 19, 2026

Location	Type of Property	Gross Floor Area (sq.m)	Lease Term	Expiry Dates
The 3rd Floor, Building 5, North District, Nanjing Life Science and Technology Town, No. 568, Longmian Avenue, Jiangning District, Nanjing City.	Building/R&D center	905.8	Three years	September 30, 2028
The 7th Floor, Building 5, North District, Nanjing Life Science and Technology Town, No. 568, Longmian Avenue, Jiangning District, Nanjing City.	Building/R&D center	1,032.0	Three years	September 30, 2028

AWARDS AND RECOGNITION

The table below sets forth the major awards and recognition we received as of June 30, 2026:

Year of Grant	Award/Recognition	Issuing Authority
2019.	Potential Unicorn Enterprise in Sunan National Innovation Demonstration Zone (蘇南國家自主創新示範區潛在獨角獸企業)	Construction Promotion Service Center of Sunan National Innovation Demonstration Zone (江蘇省蘇南國家自主創新示範區建設促進服務中心)
2019.	National Science and Technology Major Project for "Significant New Drugs Development" under the 13th Five-Year Plan (Pre-clinical Research on Class I New Antifungal Peptide PL-18 and Anti-drug-resistant Peptide Cbf-14) (國家「十三五」重大新藥創製重大科技專項(I類新藥抗真菌多肽PL-18和抗耐藥菌多肽Cbf-14臨床前研究))	Ministry of Science and Technology of the People's Republic of China
2019.	Potential Unicorn Enterprise in Wuxi (無錫市准獨角獸企業)	Wuxi Municipal Science and Technology Bureau (無錫市科學技術局)
2020, 2023	National High-Tech Enterprise (國家高新技術企業)	Jiangsu Provincial Department of Science and Technology,Department of Finance of Jiangsu Province, Jiangsu Provincial Tax Service, State Taxation Administration
2022, 2023	Top 100 China Pharmaceutical Innovation Seed Enterprises (中國醫藥創新種子企業100強)	Healthcare Executive (E藥經理人)
2023.	Special Fund for Transformation of Scientific and Technological Achievements (Pecelegan Spray)(省科技成果轉化專項 (培來加南噴霧劑))	Jiangsu Provincial Department of Science and Technology,Department of Finance of Jiangsu Province
2024.	Jiangsu Provincial Engineering Research Center for Innovative Peptide-based Drugs (江蘇省多肽創新藥物工程研究中心)	Jiangsu Provincial Development and Reform Commission (江蘇省發展和改革委員會)

LICENSES, PERMITS AND APPROVALS

As of 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." 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	Issuing Authority	Date of Grant	Expiry Date
Drug Registration Certificate (藥品註冊證書)	ProteLight Pharmaceuticals (Jiangsu)	National Medical Products Administration	June 17, 2026	June 16, 2031
Drug Manufacturing License (藥品生產許可證)	ProteLight Pharmaceuticals (Jiangsu)	Jiangsu Medical Products Administration	February 9, 2026	August 23, 2030
Certificate of High&New Technological Enterprise (高新技術企業證書)	ProteLight Pharmaceuticals (Jiangsu)	Jiangsu Provincial Department of Science and Technology, Department of Finance of Jiangsu Province and Jiangsu Provincial Tax Service, State Taxation administration	November 6, 2023	November 5, 2026[(1)]
Hygiene License for Disinfection Product Manufacturing Enterprises (消毒產品生產企業衛生許可證)	Jiangsu Putai	Jiangsu Commission of Health	November 11, 2024	November 10, 2028
Record-keeping Certificate for the Operation of Class II Medical Devices (第二類醫療器械經營備案憑證)	Jiangsu Putai	Wuxi Municipal Bureau of Administrative Approval (無錫市行政審批局)	January 18, 2021	No expiration unless we are dissolved, liquidated, declared bankrupt, deregistered, have our business license revoked, annulled, or are ordered to shut down in accordance with the PRC law or the provisions of articles of association
Record-keeping Certificate for the Operation of Class II Medical Devices (第二類醫療器械經營備案憑證)	Wuxi Ruiyi	Wuxi Municipal Bureau of Administrative Approval (無錫市行政審批局)	January 18, 2021	No expiration unless we are dissolved, liquidated, declared bankrupt, deregistered, have our business license revoked, annulled, or are ordered to shut down in accordance with the PRC law or the provisions of articles of association

Note:

(1) We plan to renew our High and New Tech Enterprise Certificate in 2027, for which we have completed relevant preparatory work in advance and our Directors are of the view that there is no legal impediments for such renewal.

As of the Latest Practicable Date, our Core Product PL-5 and key products PL-3301 and PL-18 all received notice for approval of clinical trials (臨床試驗通知書) issued by the NMPA. The following table sets forth details of the clinical trial approvals obtained by our Group as of the Latest Practicable Date:

Approval Authority	Acceptance number	Product Name	Licensed Content	Approval Date
NMPA	CXHL1400688 Ji	Antimicrobial Peptide PL-5	Clinical trials related to Antimicrobial Peptide PL-5	May 4, 2016
NMPA	CXHL1400689 Ji	Antimicrobial Peptide PL-5 Spray	Clinical trials related to Antimicrobial Peptide PL-5 Spray	May 4, 2016
NMPA	CXHL2200882	Antimicrobial Peptide PL-18 Suppository	Clinical trials related to Antimicrobial Peptide PL-18 Suppository	January 13, 2023
NMPA	CXHL2200883	Antimicrobial Peptide PL-18 Suppository	Clinical trials related to Antimicrobial Peptide PL-18 Suppository	January 13, 2023
NMPA	CXHL2200884	Antimicrobial Peptide PL-18 Suppository	Clinical trials related to Antimicrobial Peptide PL-18 Suppository	January 13, 2023
NMPA	CXHL2200885	Antimicrobial Peptide PL-18 Suppository	Clinical trials related to Antimicrobial Peptide PL-18 Suppository	January 13, 2023
NMPA	CXHL2200886	Antimicrobial Peptide PL-18 Suppository	Clinical trials related to Antimicrobial Peptide PL-18 Suppository	January 13, 2023
NMPA	CXHL2500380	Antimicrobial Peptide PL-3301 Oral Gel	Clinical trials related to Antimicrobial Peptide PL-3301 Oral Gel	July 3, 2025
NMPA	CXHL2500381	Antimicrobial Peptide PL-3301 Oral Gel	Clinical trials related to Antimicrobial Peptide PL-3301 Oral Gel	July 3, 2025

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 product 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 a negative impact on our business, financial condition, and results of operations. For the potential impact of legal or administrative proceedings on us, please see "Risk Factors — Risks Relating to Our General Operations — If we face litigation, legal disputes, government investigations, or administrative actions, our management's focus could be shifted, leading to significant costs and liabilities for us."

During the Track Record Period, we did not make full contributions to social insurance and housing provident funds for certain employees of us in accordance with applicable PRC laws and regulations. Such non-compliance was mainly because certain employees were unwilling to bear the employee portion of the relevant contributions strictly in proportion to their salaries, as doing so would reduce their disposable income.

Since the full payment of social insurance and housing provident fund contributions requires co-contributions from both the employer and the employees, immediate full rectification prior to the **[REDACTED]** would require us to make proportional statutory deductions from the relevant employees' salaries. In order to maintain stable employer-employee relationships and avoid any disruption to our operations, we require sufficient time to communicate with our employees, explain the relevant regulatory requirements and gradually seek their understanding and cooperation. We have been actively taking steps to prepare for rectification, including (i) continuously communicating with our employees to seek their understanding and cooperation; and (ii) keeping our employees informed of the latest regulatory requirements issued by the relevant authorities. We expect to commence gradual rectification of our social insurance and housing provident fund contributions within one year from the **[REDACTED]**. If the relevant authorities require us to make full contributions or rectify such non-compliance within a specified period, we undertake to do so promptly within such period. Given that we will make timely payments for the outstanding amount and overdue charges as soon as requested by relevant authorities, our Directors are of the view that we are less likely to be subject to administrative penalties as a result of such non-compliance.

As advised by our PRC Legal Advisor, as we had not made full social insurance contributions for certain employees in accordance with applicable PRC laws and regulations, the relevant social insurance collection agency may order us to pay the outstanding amounts within a prescribed time limit. We may also be subject to a late payment charge at a daily rate of 0.05% of the outstanding amounts from the date on which such amounts became due and unpaid. If we fail to make such payment within the prescribed period, the competent authorities may further impose a fine ranging from one to three times the amount of the overdue payment. In addition, if the relevant housing provident fund authorities determine that we have failed to make full housing provident fund contributions for certain employees in accordance with applicable PRC laws and regulations, they may order us to make the outstanding contributions within a prescribed time limit. If we fail to do so within such time limit, the relevant authorities may apply to the PRC courts for compulsory enforcement.

As of the Latest Practicable Date, we had not received any order of correction, fine or penalty from the competent authorities in relation to the above non-compliance. We have either consulted the relevant competent social insurance and housing provident fund authorities or obtained special credit reports (certifying no records of illegal or non-compliant activities), which confirmed that there was no record of any employing entity within our Group having been subject to administrative penalties by the competent authorities for violation of the applicable laws and regulations. As advised by our PRC Legal Advisor, provided that there are no material adverse changes in the current regulatory policies and environment and no employee complaints occur, the likelihood that we will be required to settle all historical shortfalls in social insurance premiums and housing provident fund contributions or be subject to material administrative penalties as a result of such non-compliance is remote. Accordingly, our Directors and our PRC Legal Advisor are of the view that such non-compliance would not have any material adverse impact on our business, financial condition or results of operations. Consequently, we did not make any provision in respect of such non-compliance during the Track Record Period.

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 and did not have any systemic non-compliance in the jurisdictions we operate in. 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 risk management and internal control systems comprised of policies and procedures tailored to our business operations. Our dedication lies in the continual enhancement of these systems to ensure their effectiveness.

Risk Management

We recognize that risk management is critical to the success of our business operation. Key operational risks faced by us include changes in the general market conditions and the regulatory environment of the Chinese and global biologics markets, our ability to develop, manufacture and commercialize our product candidates, and our ability to compete with other peer companies. See "Risk

Factors" for a discussion of various risks and uncertainties we face. We also face various market risks. In particular, we are exposed to credit and liquidity risks that arise in the normal course of our business. See "Financial Information — Market Risks" for a discussion of these market risks.

We have implemented a comprehensive set of risk management policies that establish a framework for identifying, assessing, evaluating, and continuously monitoring key risks aligned with our strategic objectives. Risks identified by management will be analyzed on the basis of likelihood and impact, and will be properly followed up and mitigated and rectified by our Group and reported to our Directors. Our audit committee supervise the implementation of our risk management policies.

The following key principles outline our Group's approach to risk management and internal control that we plan to implement:

- Our audit committee will oversee, evaluate, and enhance the internal control system, which includes: (i) reviewing internal control and risk management policies and providing suggestions for improvement; (ii) engaging in discussions with management to evaluate the effectiveness of internal control and risk management policies, ensuring that management fulfills its duties in formulating effective policies; (iii) analyzing material findings related to internal control and assessing the measures taken by management; (iv) supervising potential misconduct by employees regarding internal control and establishing procedures to investigate and address complaints related to internal control within the Company.
- Our Board will be responsible for (i) formulating our risk management policy and reviewing major risk management issues of our Company; (ii) providing guidance on our risk management approach to the relevant teams in our Company; (iii) reviewing the relevant teams' reporting on key risks and providing feedbacks; and (vi) supervising the implementation of our risk management measures by the relevant teams.
- The relevant departments within our Company bear the responsibility of implementing our risk management policy and executing day-to-day risk management practices. To standardize risk management procedures across our organization and ensure a consistent level of transparency and risk management performance, these teams will: (i) collect information regarding the risks associated with their respective operations or functions; (ii) conduct comprehensive risk assessments, encompassing the identification, prioritization, measurement, and categorization of all key risks that could impact their objectives; (iii) prepare an annual risk management report for review by our chief executive officer; (iv) continuously monitor key risks pertinent to their operations or functions; (v) implement appropriate risk responses when necessary; (vi) develop and maintain a suitable mechanism to facilitate the application of our risk management framework.

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 during the period from September 1, 2024 to August 31, 2025 of our Company and our major operating subsidiaries in certain aspects, including entity-level controls, financial reporting and disclosure controls, 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 and December 2025, identified internal control deficiencies and provided recommendation accordingly. These deficiencies primarily concerned internal control policies with respect to information system control, monitoring of software usage on employees' computers, monitoring of regulatory filing process, and other deficiencies in relation to the Company's governance structure and policies required for a listed company according to the Listing Rules, none of which had resulted in any material adverse impact on the Group's business operation and financial performance. We have been taking steps to rectify these deficiencies and enhance our internal control measures based upon the recommendations given by the Internal Control Consultant. 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. As of the Latest Practicable Date, there were no material outstanding issues relating to our Company's internal control.

Having considered the report prepared by our Internal Control Consultant, the Directors confirmed that all of the major recommendations provided by the Internal Control Consultant have been followed and corrective actions were taken accordingly to address our internal control deficiencies. Our Internal Control Consultant has reviewed the enhanced internal control measures and confirmed that the enhanced internal control measures adopted are effective to prevent recurrence of similar internal control deficiencies. Our Directors are of the view, and the Sole Sponsor concurs, that the above internal control deficiencies had not resulted in any material adverse impact on the Group's business operation and financial performance, and our enhanced internal control measures are adequate and effective to ensure compliance with relevant laws and regulations going forward.

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. Our internal audit department conducts audit field work to monitor the implementation of our internal control policies, reports any weaknesses identified to our management and audit committee, and follows up on the rectification actions.
- We provide various training programs to keep our employees updated on relevant laws, regulations, and policies. Our new employees are required to attend compliance training programs soon after on-boarding and must pass tests which examine their understanding of the compliance issues addressed by the training programs. Our employees are also required to regularly attend on-site and online training sessions to keep them informed of recent updates in the relevant laws and regulations.
- Our Directors (who are responsible for monitoring the corporate governance of our Group), with help from our legal advisors, will also periodically review our compliance status with all relevant laws and regulations after the **[REDACTED]**.
- We have established an audit committee which (i) makes recommendations to our Directors on the appointment and removal of external auditors; and (ii) reviews the financial statements and renders advice in respect to financial reporting as well as oversees internal control procedures of our Group.
- We maintain strict anti-corruption policies and we believe we will therefore be less affected by the increasingly stringent measures taken by the PRC government to correct corruptive practices in the biopharmaceutical industry.

*You should read the following discussion and analysis in conjunction with our audited consolidated financial statements included in "Appendix I — Accountants' Report" to this document, together with the accompanying notes. Our consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**"), which may differ in material aspects from generally accepted accounting principles in other jurisdictions. You should read the entire Accountants' Report, and not merely rely on the information contained in this section.*

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance and involve risks and uncertainties. These statements are based on our assumptions and analysis 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, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties, many of which we cannot control or foresee. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of any number of factors. In evaluating our business, you should carefully consider all of the information provided in this document, including "Risk Factors" and "Business."

Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

We are an antimicrobial peptide ("**AMP**") therapeutics company established in April 2009, and focus on two core therapeutic areas, namely anti-infectives and metabolic diseases. We did not commercialize any drugs and were loss-making during the Track Record Period. In 2024 and 2025, and the six months ended June 30, 2025 and 2026, we had net losses of RMB158.3 million, RMB141.6 million, RMB66.3 million and RMB85.2 million, respectively, which primarily resulted from research and development expenses and administrative expenses.

We expect to incur significant expenses for at least the next several years as we continue to advance our preclinical research and clinical development plans, and to prepare for the commercialization of our drug candidates. 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

For details of basis of preparation, please see note 2.1 "Basis of preparation" to the Accountants' Report in Appendix I to this document.

MAJOR 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 develop and seek regulatory approval of our drug candidates. As of the Latest Practicable Date, we had one drug approved from NMPA in June 2026, namely our Core Product PL-5, and three other drug candidates in our pipeline. Leveraging our clinical development capabilities, we aim to provide patients with access to our Core Product, PL-5, targeting secondary wound infection. We are conducting a Phase II clinical trial in the U.S. targeting diabetic foot ulcer infection. For more details regarding the development status of our drug candidates, please refer to "Business — Our Pipeline". Whether our drug candidates can demonstrate favorable safety and efficacy clinical trial results, and whether we can obtain the requisite regulatory approvals for our drug candidates in time, are crucial for our business and results of operations.

Subject to our successfully developing and obtaining regulatory approval of our drug candidates, our business and results of operations depend on our ability to commercialize our drug candidates. Although we currently have no drugs realized commercial sale and have not generated any revenue from drug sales, we expect to commercialize one or more of our drug candidates over the coming years. Our ability to generate sustained revenue depends on the successful commercialization of our drug candidates, which may require significant marketing efforts in accordance with local rules and regulations. If our drug candidates are approved but fail to achieve the degree of market acceptance, we may not be able to generate revenue as expected. See "Business — Commercialization" for our commercialization plans and "Risk Factors — Risks Relating to Our Drug Commercialization" for more details regarding the risks related to commercialization of our drug candidates.

Our Ability to Control Our Expenses and Improve Our Operating Efficiency

Our business and results of operations are significantly affected by our expenses, which was comprised primarily of R&D expenses, administrative expenses and finance costs, during the Track Record Period.

R&D activities are central to our business. Our R&D expenses consisted of preclinical and clinical trial expenses, employee salary and welfare expenses, share-based payment expenses, materials consumed, depreciation and amortization expenses and others. In 2024 and 2025, and the six months ended June 30, 2025 and 2026, our R&D expenses amounted to RMB80.7 million, RMB57.2 million, RMB25.7 million and RMB24.4 million. Our current R&D activities primarily relate to the clinical development of our Core Product PL-5 for the treatment of secondary wound infection and diabetic foot infections, our key product PL-3301 for the treatment of OPC and pulmonary infection and our key product PL-18 for the treatment of VVC. We expect our R&D expenses to increase for the foreseeable future as we continue to progress the clinical development of and to conduct CMC activities with respect to our current and future drug candidates.

Our administrative expenses, which primarily consisted of (i) employee salary and welfare expenses; (ii) share-based payment expenses; (iii) depreciation and amortization expenses; (iv) service fees; (v) office expenses; (vi) taxes and surcharges; and (vii) others. In 2024 and 2025, and the six months ended June 30, 2025 and 2026, our administrative expenses amounted to RMB26.3 million, RMB32.1 million, RMB10.9 million and RMB21.4 million, respectively.

Going forward, our expenses will evolve as we further develop our drug candidates. As our drug candidates progress through preclinical studies and clinical trials and advance towards commercialization, we expect to incur additional expenses related to R&D, sales and marketing, and regulatory affairs, among other activities.

Our Existing and Future Collaboration Arrangements

During the Track Record Period, we have established a core product commercialization strategic partnership with Chia Tai Tianqing for the sales of our PL-5, granting it exclusive commercialization rights for PL-5 in Chinese mainland, with sales milestone-based fees. Chia Tai Tianqing has strong sales capabilities in the anti-infective drug segment, backed by its robust specialized academic promotion system and a global channel network, enabling it to quickly introduce new anti-infective drugs into key markets. Its sales team deeply integrates clinical needs with expert resources, achieving rapid product growth and extensive market penetration in a complex, competitive environment. Moreover, we may enter into new collaborations depending on our development strategies. These existing and future collaboration arrangements will influence, and may result in fluctuations in, our revenue, profit, and results of operations from period to period.

Our Ability to Fund Our Operation

During the Track Record Period, we funded our operations through private equity and debt financing. Going forward, in the event of the successful commercialization of one or more of our drug candidates, we expect to fund our operations in part with revenue generated from sales of our commercialized drug products. We expect to fund our future operations primarily with existing cash and cash equivalents, income derived from our sales of daily care products, and **[REDACTED]** from the **[REDACTED]**. Upon the successful commercialization of one or more of our drug candidates, we expect to further complement the funding for our operations with revenue generated from sales of our

commercialized drug products. However, with the continuing expansion of our business, we may require further funding through public or private equity offerings, debt financing, or other sources. Any changes in our ability to fund our operations will affect our cash flow and results of operations. Please refer to "— Liquidity and Capital Resources" for more details.

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

For the details of our material accounting policies and judgments, and estimates, please see Note 2.3 and Note 3 to the Accountants' Report in Appendix I to this document.

OUR CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The following table sets forth our consolidated statements of profit or loss with line items in absolute amounts 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	5,194	3,332	1,428	2,192
Cost of sales	(3,020)	(2,024)	(840)	(1,142)
Gross profit	2,174	1,308	588	1,050
Other income and gains	11,627	14,193	2,135	3,047
Research and development expenses	(80,725)	(57,215)	(25,713)	(24,412)
Administrative expenses	(26,253)	(32,126)	(10,863)	(21,448)
Selling and distribution expenses	(5,876)	(4,607)	(2,799)	(2,540)
Finance costs	(58,432)	(62,463)	(29,307)	(40,135)
Impairment loss on financial assets, net	(297)	(510)	(341)	(784)
Other expenses	(555)	(144)	(13)	(18)
LOSS BEFORE TAX	(158,337)	(141,564)	(66,313)	(85,240)
Income tax expenses	—	—	—	—
LOSS FOR THE YEAR/PERIOD	(158,337)	(141,564)	(66,313)	(85,240)
Attributable to:				
Owners of the parent	(158,337)	(141,564)	(66,313)	(85,240)

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

Leveraging the core technologies of our drug candidates, we also developed some daily-care products which may help supplement our operation cash flow. During the Track Record Period, none of our drug candidates realize commercialization, therefore all of our sales was derived from sales of daily-care products. For details, please see "Business — Our Other Products." Our revenue were RMB5.2 million, RMB3.3 million, RMB1.4 million and RMB2.2 million in 2024 and 2025, and the six months ended June 30, 2025 and 2026, respectively.

Cost of Sales

During the Track Record Period, our cost of sales primarily consisted of (i) material consumed; (ii) employee salary and welfare expenses; (iii) depreciation and amortization expenses; and (iv) others. Our cost of sales were RMB3.0 million, RMB2.0 million, RMB0.8 million and RMB1.1 million in 2024 and 2025, and the six months ended June 30, 2025 and 2026, respectively. Our cost of sales continuously decreased throughout the Track Record Period, which was primarily caused by the decrease in materials consumed, which were in line with our revenue trend.

Gross Profit and Gross Profit Margin

During the Track Record Period, our gross profit represents our revenue less our cost of sales. We recorded gross profit of RMB2.2 million, RMB1.3 million, RMB0.6 million and RMB1.1 million in 2024 and 2025, and the six months ended June 30, 2025 and 2026. Our gross profit margin from sales of daily-care products were 41.9% in 2024, 39.3% in 2025, 41.2% in the six months ended June 30, 2025 and 47.9% in the six months ended June 30, 2026, respectively.

The following table sets forth a breakdown of our gross profit and gross profit margin through distributors and direct sales for the periods indicated.

	Year Ended December 31				Six Months Ended June 30,			
	2024		2025		2025		2026	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
					(Unaudited)			
Direct sales	821	52.2	845	59.3	416	62.0	861	57.2
Distribution	1,353	37.4	463	24.3	172	22.7	189	27.5
Total	2,174	41.9	1,308	39.3	588	41.2	1,050	47.9

Other Income and Gains

In 2024 and 2025, and the six months ended June 30, 2025 and 2026, our other income and gains were RMB11.6 million, RMB14.2 million, RMB2.1 million and RMB3.0 million, respectively.

During the Track Record Period, our other income and gains primarily consisted of government grants, interest income, and gain on financial assets at fair value through profit or loss ("**FVTPL**"). We received certain government grants related to support certain subsidiaries' operating activities. There are no unfulfilled conditions or contingencies relating to these government grants. Gain on financial assets at FVTPL mainly consists of interest income generated from wealth management product we hold.

The following table sets forth a breakdown of our other income and gains both in absolute amount and as a percentage of our total 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	9,185	79.0	12,558	88.5	1,564	73.3	1,579	51.8
Interest income	1,141	9.8	989	7.0	460	21.5	654	21.5
Others	49	0.4	150	1.0	58	2.7	109	3.6
Total other income	10,375	89.2	13,697	96.5	2,082	97.5	2,342	76.9
Gains								
Gain on financial assets as FVTPL	1,252	10.8	301	2.1	40	1.9	672	22.1
Foreign exchange differences, net	—	—	142	1.0	13	0.6	33	1.0
Others	—	—	53	0.4	—	—	—	—
Total gains	1,252	10.8	496	3.5	53	2.5	705	23.1
Total	**11,627**	**100.0**	**14,193**	**100.0**	**2,135**	**100.0**	**3,047**	**100.0**

Research and Development Expenses

Our research and development expenses consisted of (i) preclinical and clinical trial expenses; (ii) employee salary and welfare expenses; (iii) share-based payment expenses; (iv) materials consumed, mainly representing materials cost and testing costs in the course of our research and development activities; (v) depreciation and amortization expenses; and (vi) others, mainly representing travel expenses, service fees, conference fees and etc.

The following table sets forth a breakdown of our research and development expenses both in absolute amount and as a percentage of our total research and development 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)			
Preclinical and clinical trial expenses	44,572	55.2	21,570	37.7	8,543	33.2	7,705	31.6
Employee salary and welfare expenses	19,316	23.9	18,424	32.2	9,578	37.2	7,577	31.0
Share-based payment expenses	2,237	2.8	2,237	3.9	1,223	4.8	1,181	4.8
Materials consumed	7,391	9.2	8,357	14.6	3,663	14.3	5,701	23.4
Depreciation and amortization expenses	2,912	3.6	3,475	6.1	1,760	6.8	1,700	7.0
Other	4,297	5.3	3,152	5.5	946	3.7	548	2.2
Total	**80,725**	**100.0**	**57,215**	**100.0**	**25,713**	**100.0**	**24,412**	**100.0**

Our research and development expenses decreased by 29.1% from RMB80.7 million in 2024 to RMB57.2 million in 2025, primarily due to the decrease in our preclinical and clinical trial expenses, especially decrease in clinical trial expenses of our Core Product. This is because our Core Product in China received NDA acceptance notice in December 2024. We plan to continue our preclinical and clinical trials for our pipeline drugs after the D+ series financing.

Our research and development expenses decreased by 5.1% from RMB25.7 million in the six months ended June 30, 2025 to RMB24.4 million in the six months ended June 30, 2026, primarily due to (i) the decrease in employee salary and welfare expenses resulting from the close of Changchun ProteLight; (ii) the decrease in preclinical and clinical trial expense of PL-18, which was primarily attributable to our focus on formulation optimization in the six months ended June 30, 2026; and (iii) the decrease in preclinical and clinical trial expense of PL-5, which was primarily because we submitted PL-5 NDA application to the NMPA in December 2024 and received NDA approval in June 2026.

The following table sets forth a breakdown of our research and development expenses by pipeline products in absolute amount of our total research and development 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)			
PL-5	29,880	37.0	10,447	18.3	6,785	26.4	3,959	16.2
PL-5 International	12,516	15.5	7,545	13.2	2,357	9.2	4,195	17.2
PL-18	13,575	16.8	16,038	28.0	7,155	27.8	3,444	14.1
PL-18 International	2,646	3.3	151	0.3	99	0.4	—	—
PL-3301	6,608	8.2	6,465	11.3	2,195	8.5	4,476	18.3
PL-MD-333	—	—	2,307	4.0	—	—	4,698	19.2
Others[(1)]	15,500	19.2	14,262	24.9	7,122	27.7	3,640	15.0
Total	**80,725**	**100.0**	**57,215**	**100.0**	**25,713**	**100.0**	**24,412**	**100.0**

Note:

(1) Others represents the research and development expenses of (i) other pipeline candidates which are under pre clinical stage and (ii) daily-care products.

With respect to the research and development expenses incurred for the Core Product, we recorded RMB42.4 million in 2024, RMB18.0 million in 2025, RMB9.1 million in the six months ended June 30, 2025 and RMB8.2 million in the six months ended June 30, 2026, respectively, accounting for 52.5%, 31.5%, 35.6% and 33.4% of the total research and development expenses in China and overseas in the corresponding years or periods. The decrease of R&D expenses for our Core Product during the Track Record Period was primarily due to the NDA of PL-5 in China in December 2024. Given that (i) we are conducting a Phase II clinical trial of our Core Product PL-5 in the United States for the treatment of diabetic foot infections, which is expected to be finalized by the third quarter of 2028, and (ii) we plan to conduct a post market evaluation within five years of the commercialization of PL-5 in China to fulfill our statutory obligations under the Drug Administration Law, we expect our research and development expenses will continue to increase in the near future.

Administrative Expenses

Our administrative expenses consisted of (i) employee salary and welfare expenses; (ii) share-based payment expenses; (iii) depreciation and amortization and rental expenses; (iv) service fees; (v) office expenses; (vi) taxes and surcharges; and (vii) others.

The following table sets forth a breakdown of our administrative expenses both in absolute amount and as a percentage of our 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)			
Employee salary and welfare expenses	8,489	32.4	10,324	32.1	4,352	40.1	5,269	24.6
Share-based payment expenses	1,840	7.0	1,151	3.6	1,040	9.6	585	2.7
Depreciation and amortization and rental expenses	7,961	30.3	7,382	23.0	3,304	30.4	3,167	14.8
Service fees	2,411	9.2	8,700	27.1	588	5.4	10,410	48.5
Office expenses	1,737	6.6	2,005	6.2	695	6.4	897	4.2
Taxes and surcharges	1,549	5.9	1,520	4.7	705	6.5	885	4.1
Others	2,266	8.6	1,044	3.3	179	1.6	235	1.1
Total	**26,253**	**100.0**	**32,126**	**100.0**	**10,863**	**100.0**	**21,448**	**100.0**

Selling and Distribution Expenses

Our selling and distribution expenses consisted of employee salary and welfare expenses, depreciation and amortization expenses, advertising and promotion expenses share-based payment, and others. The following table sets forth a breakdown of our selling and distribution expenses both in absolute amount and as a percentage of our total selling and distribution 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)			
Employee salary and welfare expenses	2,376	40.4	1,799	39.0	1,217	43.5	757	29.8
Share-based payment expenses	118	2.0	118	2.6	59	2.1	59	2.3
Depreciation and amortization expenses	52	0.9	28	0.6	20	0.7	6	0.2
Advertising and promotion expenses	2,772	47.2	2,069	44.9	1,206	43.1	1,525	60.0
Others	558	9.5	593	12.9	297	10.6	193	7.7
Total	**5,876**	**100.0**	4,607	100.0	2,799	100.0	2,540	100.0

Our selling and distribution expenses decreased by 22.0% from RMB5.9 million in 2024 to RMB4.6 million in 2025, primarily due to the decrease in (i) employee salary and welfare expenses which was caused by the fluctuation of numbers of our sales and marketing staff, and (ii) advertising and promotion expenses, which was attributable to the decrease in external promotional activities in 2025.

Our selling and distribution expenses decreased by 10.7% from RMB2.8 million in the six months ended June 30, 2025 to RMB2.5 million in the six months ended June 30, 2026, primarily due to the fluctuation in numbers of our sales personnel in the same period.

Other Expenses

During the Track Record Period, other expenses primarily consisted of (i) foreign exchange gains and losses; and (ii) other expenses. We did not have significant other expenses during the Track Record Period.

Finance Costs

Our finance costs primarily consisted of (i) interest on redemption liabilities on equity interests; (ii) interest on bank borrowings; and (iii) interest on lease liabilities. The following table sets forth a breakdown of our finance costs both in absolute amount and as a percentage of our total finance costs, net 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 redemption liabilities on equity interests	57,635	98.6	60,551	97.0	28,503	97.3	39,659	98.8
Interest on bank borrowings	556	1.0	1,763	2.8	705	2.4	421	1.1
Interest on lease liabilities	241	0.4	149	0.2	99	0.3	55	0.1
Total	**58,432**	**100.0**	**62,463**	**100.0**	**29,307**	**100.0**	**40,135**	**100.0**

Income Tax Expenses

The Company was recognized as a "High and New Tech Enterprise" in 2023 in accordance with relevant tax regulations. Consequently, in 2024 and 2025, it is entitled to a preferential corporate income tax rate of 15%. This qualification is subject to review by the relevant authorities every three years.

Certain subsidiaries of us in China qualify as Small and Low-Profit Enterprises. In 2024, the following policies applied to such enterprises: for the portion of annual taxable income not exceeding RMB one million, the taxable income is calculated at 12.5% and subject to a corporate income tax rate of 20%; for the portion of annual taxable income exceeding RMB one million but not exceeding RMB three million, the taxable income is calculated at 25% and subject to a corporate income tax rate of 20%.

As a result, we did not record any income tax expenses during the Track Record Period. Our Directors confirm that during the Track Record Period, we had made all the required tax filings and had no outstanding tax liabilities with the relevant tax authorities in the relevant jurisdictions and we are not aware of any outstanding or potential disputes with such tax authorities.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2026

Revenue

Our revenue increased by 57.1% from RMB1.4 million in the six months ended June 30, 2025 to RMB2.2 million in the six months ended June 30, 2026, which was primarily driven by the sales of our newly launched anti-bacteria daily-care products.

Cost of sales

Our cost of sales increased by 37.5% from RMB0.8 million in the six months ended June 30, 2025 to RMB1.1 million in the six months ended June 30, 2026, which was in line with the increase in revenue.

Gross Profit

Our gross profit increased by 83.3% from RMB0.6 million in the six months ended June 30, 2025 to RMB1.1 million in the six months ended June 30, 2026, which was primarily driven by the increased sales from direct sales channel, which has a higher gross profit than distribution sales channel.

Other Income and gains

Our other income increased by 42.9% from RMB2.1 million in the six months ended June 30, 2025 to RMB3.0 million in the six months ended June 30, 2026, which was primarily driven by the increase in gains on financial assets at FVTPL.

Research and development expenses

Our research and development expenses slightly decreased by 5.1% from RMB25.7 million in the six months ended June 30, 2025 to RMB24.4 million in the six months ended June 30, 2026, which was primarily driven by (i) the decrease in employee salary and welfare expenses resulting from the close of Changchun ProteLight; and (ii) the decrease in preclinical and clinical trial expense of PL-18 in China and PL-5 in China. The decrease in PL-5 primarily due to its NDA application submission in December 2024 and its NDA approval in June 2026. The decrease in PL-18 primarily due to its formulation optimization in the six months ended June 30, 2026.

Administrative expenses

Our administrative expenses increased by 96.3% from RMB10.9 million in the six months ended June 30, 2025 to RMB21.4 million in the six months ended June 30, 2026, which was primarily driven by the increase in service fees in relation to the **[REDACTED]**.

Selling and distribution expenses

Our selling and distribution expenses decreased by 10.7% from RMB2.8 million in the six months ended June 30, 2025 to RMB2.5 million in the six months ended June 30, 2026, which was primarily driven by the decrease in sales personnel of daily-care products during the six months ended June 30, 2026.

Finance costs

Our finance costs increased by 36.9% from RMB29.3 million in the six months ended June 30, 2025 to RMB40.1 million in the six months ended June 30, 2026, which was primarily driven by the increase in interests on redemption liabilities on equity interests resulting from our Pre-**[REDACTED]** investments.

Impairment losses on financial assets, net

Our impairment losses on financial assets, net increased by 166.7% from RMB0.3 million in the six months ended June 30, 2025 to RMB0.8 million in the six months ended June 30, 2026, which was primarily attributable to the increased provision made for our prepayments, other receivables and other assets considering its likelihood of recovery.

Other expenses

Our other expenses remained stable at RMB13,000 in the six months ended June 30, 2025 and RMB18,000 in the six months ended June 30, 2026.

Loss for the period

As a result of the foregoing, we recorded a loss of RMB66.3 million and RMB85.2 million in the six months ended June 30, 2025 and June 30, 2026, respectively.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2025

Revenue

Sales of daily-care products is not and will not be our core business. We are and will continue to be a AMP therapeutics company. Therefore, our management team will continue to devote vast majority of their time and energy to the R&D of our drug candidates. As such, our revenue decreased by 36.5% from RMB5.2 million in 2024 to RMB3.3 million in 2025. The decrease in our revenue was primarily because our management paid more attention to the R&D of our drug candidates compared to daily-care products.

Cost of sales

Our cost of sales decreased by 33.3% from RMB3.0 million in 2024 to RMB2.0 million in 2025. The decrease in our cost of sales was generally in line with our revenue decrease.

Gross Profit

Our gross profit decreased from RMB2.2 million in 2024 to RMB1.3 million in 2025. The decrease is primarily due to the decrease in revenue.

Other income and gains

Our other income and gains increased by 22.4% from RMB11.6 million in 2024 to RMB14.2 million in 2025. The increase in our other income and gains was primarily driven by the increase of government grants.

Research and development expenses

Our research and development expenses decreased by 29.1% from RMB80.7 million in 2024 to RMB57.2 million in 2025, primarily due to a decrease in our preclinical and clinical trial expenses, as we completed several clinical trials in relation to PL-5 in China in 2024. The research and development expenses of PL-5 accounted for 52.5% and 31.5% of the total research and development expenses in 2024 and 2025, respectively.

Administrative expenses

Our administrative expenses increased by 22.1% from RMB26.3 million in 2024 to RMB32.1million in 2025, primarily due to an increase in our service fees as we incurred a **[REDACTED]** expense of **[REDACTED]** and other consulting services fees of RMB4.2 million including business development services, patent consulting service fees, cost consulting fees, audit fees and other design service fees.

Selling and distribution expenses

Our selling and distribution expenses decreased by 22.0% from RMB5.9 million in 2024 to RMB4.6 million in 2025, primarily due to a decrease in (i) employee salary and welfare expenses which was caused by the fluctuation of numbers of our sales and marketing staff, and (ii) advertising and promotion expenses.

Finance costs

Our finance costs increased by 7.0% from RMB58.4 million in 2024 to RMB62.5 million in 2025, primarily due to the increase in redemption liabilities on equity interests.

Impairment losses on financial assets, net

Our impairment losses on financial assets, net represent the expected credit losses or reversal of the expected credit losses on our trade receivables and other receivables. We recorded impairment losses on financial assets of RMB0.3 million in 2024. We recorded impairment losses on financial assets of RMB0.5 million in 2025.

Other expenses

Our other expenses decreased by 74.1% from RMB0.6 million in 2024 to RMB0.1 million in 2025, primarily due to the decrease in currency exchange losses.

Loss for the year

As a result of the foregoing, we recorded a loss of RMB158.3 million and RMB141.6 million in 2024 and 2025, respectively.

DISCUSSION OF CERTAIN KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth selected information 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*
NON-CURRENT ASSETS			
Property, plant and equipment	113,466	107,330	104,433
Right-of-use assets	24,194	21,843	38,245
Intangible assets	67	429	560
Prepayments, other receivables and other assets	9,448	13,206	14,562
Time deposits	31,125	—	—
Total non-current assets	**178,300**	**142,808**	**157,800**
CURRENT ASSETS			
Inventories	5,965	4,101	4,709
Trade and bills receivables	2,466	1,608	1,629
Prepayments, other receivables and other assets	4,484	7,631	7,265
Financial assets at fair value through profit or loss ("**FVTPL**")	10,048	147,555	42,037

	As of December 31,		As of June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Pledged deposits	—	160	3,192
Time deposits	—	31,996	32,437
Cash and cash equivalents	31,738	63,091	34,050
Total current assets	**54,701**	**256,142**	**125,319**
CURRENT LIABILITIES			
Trade and bills payables	11,294	6,663	10,677
Other payables and accruals	8,054	10,554	5,454
Interest bearing bank borrowings	39,920	70,047	—
Redemption liabilities on equity interests	756,909	1,042,460	1,082,119
Deferred income	—	200	200
Lease liabilities	1,557	1,121	1,030
Total current liabilities	**817,734**	**1,131,045**	**1,099,480**
NET CURRENT LIABILITIES	**(763,033)**	**(874,903)**	**(974,161)**
TOTAL ASSETS LESS CURRENT LIABILITIES	**(584,733)**	**(732,095)**	**(816,361)**
NON-CURRENT LIABILITIES			
Deferred income	—	1,517	1,417
Lease liabilities	3,166	1,603	1,081
Total non-current liabilities	**3,166**	**3,120**	**2,498**
Net liabilities	**(587,899)**	**(735,215)**	**(818,859)**
DEFICITS			
Deficits attributable to owners of the parent			
Paid-in capital/Share capital	**46,905**	**51,534**	51,534
Deficits	**(634,804)**	**(786,749)**	(870,393)
Total deficits	**(587,899)**	**(735,215)**	**(818,859)**

Property, Plant and Equipment

Our property, plant and equipment primarily consisted of (i) building; (ii) machinery and equipment; (iii) motor vehicles; (iv) office equipment; and (v) leasehold improvements. Our property, plant and equipment decreased from RMB113.5 million as of December 31, 2024 to RMB107.3 million as of December 31, 2025, primarily due to depreciation during the ordinary course of business. Our property, plant and equipment decreased from RMB107.3 million as of December 31, 2025 to RMB104.4 million as of June 30, 2026, primarily due to the depreciation of machinery and equipment in the ordinary course of business.

Right-of-use Assets

Our right-of-use assets were primarily in relation to our leasehold land and buildings. Our right-of-use assets decreased from RMB24.2 million as of December 31, 2024 to RMB21.8 million as of December 31, 2025 primarily due to amortization. Our right-of-use assets increased from RMB21.8 million as of December 31, 2025 to RMB38.2 million as of June 30, 2026, primarily due to our newly purchased land parcel in Taizhou Bay for the planned API manufacturing facility.

Intangible Assets

Our intangible assets primarily consisted of software. Our intangible assets increased from RMB0.1 million as of December 31, 2024 to RMB0.4 million as of December 31, 2025, primarily due to the increase in software, which was caused by the purchase of additional office automation software. Our intangible assets increased from RMB0.4 million as of December 31, 2025 to RMB0.6 million as of June 30, 2026, primarily due to the network upgrades and software purchase.

Prepayments, Other Receivables and Other Assets

The following table sets forth a breakdown of our 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*
Non-current:			
Deductible value-added tax	9,308	13,206	14,562
Prepayment for property, plant and equipment	140	—	—
Non-current portion	9,448	13,206	14,562
Current:			
Deposits and other receivables	2,863	5,498	2,608
Prepayments	1,615	1,071	2,418
Deductible value-added tax	449	—	—
[REDACTED] expenses	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Impairment allowance	(443)	(647)	(1,391)
Current portion	4,484	7,631	7,265
Total	**13,932**	**20,837**	**21,827**

During the Track Record Period, our prepayments, other receivables and other assets consist of (i) deductible value-added tax; (ii) prepayment for property, plant and equipment; (iii) prepayments; and (iv) deposits and other receivables. Our prepayments, other receivables and other assets increased from RMB13.9 million as of December 31, 2024 to RMB20.8 million as of December 31, 2025 and further increase to RMB21.8 million as of June 30, 2026, primarily due to increases in deductible value-added tax and deposits and other receivables.

As of August 24, 2026, RMB865.5 thousand, or 4.0%, of our prepayments, other receivables and other assets as of June 30, 2026 had been subsequently settled. During the Track Record Period and up to the Latest Practicable Date, we did not have any material recoverability issue for our prepayments, other receivables and other assets.

Inventories

Our inventories primarily consisted of raw materials and finished goods for daily-care products and clinic trials. Our inventories decreased from RMB6.0 million as of December 31, 2024 to RMB4.1 million as of December 31, 2025, primarily due to a decrease in raw materials. Our inventory increased from RMB4.1 million as of December 31, 2025 to RMB4.7 million as of June 30, 2026, primarily due to our procurement of raw materials in preparation for the subsequent commercialization of our PL-5.

The table below sets forth our inventories by nature as of the dates indicated.

	As of December 31,		As of June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	4,697	3,097	3,636
Finished goods	1,268	1,004	1,073
Total	**5,965**	**4,101**	**4,709**

The following table sets forth an aging analysis of our inventories as of the dates indicated.

	As of December 31,		As of June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	2,674	1,290	2,890
1 to 2 years	2,240	986	479
2 to 3 years	188	777	475
Over 3 years	863	1,048	865
Total	**5,965**	**4,101**	**4,709**

As of August 24, RMB426.6 thousand, or 9.1%, of our inventories as of June 30, 2026 had been subsequently settled. Our inventories primarily consist of raw materials and finished goods. Our raw materials can be used normally within their respective validity periods. The raw materials are mainly packaging materials and we purchased them in bulk to achieve cost economies of scale. The packaging materials generally have no material shelf-life restrictions and remain compatible with our existing product types and packaging specifications. We have no plan to change such specifications in the next three to five years, and such materials have been properly stored and remain usable. Besides, the inventories can be consumed in bulk after our products are commercialised in the future. Therefore, we believe there is no impairment issue for our inventories as of June 30, 2026. During the Track Record Period and up to the Latest Practicable Date, we did not have any material recoverability issue for our inventories.

Trade and Bills Receivables

Our trade and bills receivables primarily arose from sales of daily-care products. The following table sets forth our trade and bills receivables as of the dates indicated.

	As of December 31,		As of June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	1,903	1,416	1,498
Bills receivables	563	192	131
Total trade and bills receivables	**2,466**	**1,608**	**1,629**

Our trade and bills receivables decreased from RMB2.5 million as of December 31, 2024 to RMB1.6 million as of December 31, 2025. Our trade and bills receivables remained stable at about RMB1.6 million as of June 30, 2026.

We are typically granted credit terms ranging from 30 to 60 days for trade receivables from our customers. The following table sets forth the aging analysis of our trade receivables 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	2,466	1,608	1,629
Total	**2,466**	**1,608**	**1,629**

The following table sets forth our trade receivables turnover days for the periods indicated.

	Year Ended December 31,		Six Months Ended June 30,
	2024	2025	2026
Trade receivables turnover days[(1)]	172	223	133

Note:

(1) We calculate trade receivables turnover days using the average of the beginning and ending balances of total trade receivables for a period, divided by the corresponding total revenue for the same period, multiplied by the number of days in such period.

Our trade receivables turnover days increased from 172 days in 2024 to 223 days in 2025, primarily due to the decrease in revenue in 2025. Our trade receivables turnover days decreased from 223 days in 2025 to 133 days in the six months ended June 30, 2026, primarily due to our enhanced collection management of trade receivables, which resulted in a shorter trade receivables turnover period.

As of August 24, 2026, RMB500.1 thousand, or 30.7%, of our trade and bill receivables as of June 30, 2026 had been subsequently settled. During the Track Record Period and up to the Latest Practicable Date, we did not have any material recoverability issue for our trade receivables. We conduct monthly aging analysis to closely monitor overdue trade and bills receivables, supplemented by regular reconciliation and proactive collection procedures to expedite cash recovery. In accordance with the prudence concept, we have made adequate provision for expected credit losses in the financial statements, reflecting a conservative assessment of the recoverability of outstanding balances. As such, our Directors are of the view that there is no material recoverability issue for trade and bill receivables.

Financial Assets at fair value through profit or loss ("Financial Assets at FVTPL")

Our financial assets at FVTPL primarily include our wealth management products. Our financial assets at FVTPL increased from RMB10.0 million as of December 31, 2024 to RMB147.6 million as of December 31, 2025, primarily as a result of purchase of wealth management products after the D+ round financing. Our financial assets at FVTPL decreased from RMB147.6 million as of December 31, 2025 to RMB42.0 million as of June 30, 2026, primarily due to the maturity of our wealth management products.

We invest surplus cash in low-risk, highly liquid wealth management products issued by reputable financial institutions, with a primary objective to preserve capital and optimize the return on idle funds. Our investment policy restricts us to principal-protected or low-risk products, such as bank-issued wealth management products with short maturities and transparent underlying assets.

We have implemented the following internal control procedures over such investments: (i) the overall parameters of proposed investments in wealth management products are subject to prior approval by our Board of Directors, regardless of the investment amount or product type; (ii) our finance department is responsible for conducting due diligence on the issuers, assessing the risk profile of the products, and preparing detailed investment proposals for the Board's consideration; (iii) our investment decisions are made collectively at the Board level, and the performance of such investments is monitored and reported to the Board on a regular basis; and (iv) we have established internal guidelines to avoid undue concentration risk and ensure that investments are only made with well-established and financially sound institutions.

Our management team responsible for treasury and cash management has previous experience in financial management and oversight of similar investments in a listed company.

Any investment in wealth management products or similar financial assets after **[REDACTED]** will be subject to, and conducted in compliance with, Chapter 14 of the Listing Rules and all other applicable regulatory requirements.

Cash and Cash Equivalents

Our cash and cash equivalents increased from RMB31.7 million as of December 31, 2024 to RMB63.1 million as of December 31, 2025, primarily due to the D+ round financing. Our cash and cash equivalents decreased from RMB63.1 million as of December 31, 2025 to RMB34.1 million as of June 30, 2026, primarily due to the utilization of cash to fulfill the working capital requirements of our daily operations.

Trade and Bills Payables

Our trade and bills payables primarily represented the outstanding payable amounts of our purchase of raw materials and our purchase of CRO services. Our trade payables decreased from RMB11.3 million as of December 31, 2024 to RMB6.7 million as of December 31, 2025, primarily because our Core Product, PL-5, has completed a Phase III clinical trial, which led to the decrease in expenses in relation to raw materials and CRO services. We are typically granted credit terms ranging

from 30 to 90 days for trade and bills payables from suppliers. Our trade and bills payables increased from RMB6.7 million as of December 31, 2025 to RMB10.7 million as of June 30, 2026, primarily due to the increase in payables to our CROs as our R&D advanced.

Other Payables and Accruals

Our other payables and accruals primarily represented (i) payroll payables, (ii) payable for purchase of property, plant and equipment; (iii) accrued expense; and (iv) other payables. The following table sets forth a breakdown of our 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*
Payroll payable	5,287	5,272	3,371
Payable for purchase of property, plant and equipment	834	797	750
Accrued expense	—	2,136	406
Other payables	1,933	2,349	927
Total other payables and accruals	**8,054**	**10,554**	**5,454**

Our other payables and accruals increased from RMB8.1 million as of December 31, 2024 to RMB10.6 million as of December 31, 2025, primarily due to an increase in accrued expense. Our other payables and accruals decreased from RMB10.6 million as of December 31, 2025 to RMB5.5 million as of June 30, 2026, primarily due to (i) decrease of payroll payable resulting from decrease of employees during the six months ended June 30, 2026; (ii) decrease of accrued expense; and (iii) decrease of other payables.

As of August 24, 2026, RMB1.3 million, or 24.3%, of our other payables and accruals as of June 30, 2026 had been subsequently settled. During the Track Record Period and up to the Latest Practicable Date, we had no material defaults in our other payables and accruals.

Redemption Liabilities on Equity Interests

We have recognized the equity interests that we issued in the several rounds of investments that we historically received as redemption liabilities on equity interest. For additional information about those historical investments, see "History, Development and Corporate Structure" and Note 27 of the Accountants' Report set out in Appendix I to this Document.

During the Track Record Period, we had increased redemption liabilities on equity interest from RMB756.9 million as of December 31, 2024 to RMB1,042.5 million as of December 31, 2025 and further increased to RMB1,082.1 million as of June 30, 2026. Such an increase was primarily due to the increase in interest of redemption liabilities on equity interests.

LIQUIDITY AND CAPITAL RESOURCES

Net Current 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:			
Inventories	5,965	4,101	4,709
Trade and bills receivables	2,466	1,608	1,629
Prepayments, other receivables and other assets	4,484	7,631	7,265
Financial assets at fair value through profit or loss ("**FVTPL**")	10,048	147,555	42,037
Pledged deposits	—	160	3,192

	As of December 31,		As of June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Time deposits	—	31,996	32,437
Cash and cash equivalents	31,738	63,091	34,050
Total current assets	**54,701**	**256,142**	**125,319**
Current liabilities:			
Trade and bills payables	11,294	6,663	10,677
Other payables and accruals	8,054	10,554	5,454
Interest bearing bank borrowings	39,920	70,047	—
Redemption liabilities on equity interests	756,909	1,042,460	1,082,119
Deferred income	—	200	200
Lease liabilities	1,557	1,121	1,030
Total current liabilities	**817,734**	**1,131,045**	**1,099,480**
Net current liabilities	**(763,033)**	**(874,903)**	**(974,161)**

We had net current liabilities as of December 31, 2024, December 31, 2025 and June 30, 2026. Our net current liabilities increased from RMB763.0 million as of December 31, 2024 to RMB874.9 million as of December 31, 2025, primarily attributable to an increased in redemption liabilities on equity interests.

As of June 30, 2026, we had net current liabilities of RMB974.2 million, as compared to RMB874.9 million as of December 31, 2025, primarily due to the decrease in cash and cash equivalents. Our net current liabilities position is primarily attributable to the redemption liabilities on equity interest. Upon **[REDACTED]**, these redemption liabilities on equity interest are expected to be reclassified to equity interest, thereby substantially reversing the net current liabilities position. In addition, we are proactively implementing a series of working capital optimization measures to further strengthen our liquidity profile, including intensifying collection efforts on trade receivables, reducing inventory levels to enhance turnover and reduce capital occupation, and strategically extending the payment cycle with trade payables where commercially appropriate.

Cash Flows

Our primary use of cash during the Track Record Period was to fund research and development activities for our drug candidates, administrative expenses and other recurring expenses. During the Track Record Period and up to the Latest Practicable Date, we primarily funded our working capital requirements through equity financing, payments received under sales of daily-care products and debt financing. Our management closely monitors use of cash and cash equivalents and strives to maintain a healthy liquidity for our operations.

The following table sets forth 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 used in operating activities	(92,880)	(73,013)	(36,600)	(40,819)
Net cash generated from/(used in) investing activities	63,987	(138,671)	9,984	86,361
Net cash generated from/(used in) financing activities	37,957	242,497	18,451	(74,766)
Net increase/(decrease) in cash and cash equivalents	9,064	30,813	(8,165)	(29,224)
Cash and cash equivalents at the beginning of the year/period	23,114	31,738	31,738	63,091
Effect of foreign exchange rate changes, net	(440)	540	36	183
Cash and cash equivalents at the end of the year/period	**31,738**	**63,091**	**23,609**	**34,050**

Net Cash Used in Operating Activities

In 2024, our net cash used in operating activities was RMB92.9 million. Our loss before tax was RMB158.3 million for the same year. The difference between our loss before tax and our net cash used in operating activities for the period was primarily attributable to (i) certain non-cash or non-operating items, mainly including finance cost of RMB58.4 million, equity-settled share-based payment of RMB4.3 million , depreciation of property, plant and equipment of RMB6.7 million and depreciation of right-of-use assets of RMB1.8 million, and (ii) changes in working capital, mainly including decrease in trade and bill payables of RMB5.4 million, partially offset by increase in other payables and accruals of RMB1.3 million.

In 2025, our net cash used in operating activities was RMB73.0 million. Our loss before tax of RMB141.6 million for the same year. The difference between our loss before tax and our net cash used in operating activities for the period was primarily attributable to (i) certain non-cash or non-operating items, mainly including finance cost of RMB62.5 million, equity-settled share-based payment of RMB3.6 million, depreciation of property, plant and equipment of RMB7.0 million and depreciation of right-of-use assets of RMB1.8 million, and (ii) changes in working capital, mainly including decrease in trade and bill payables of RMB4.6 million, partially offset by increase in other payables and accruals of RMB2.5 million.

In the six months ended June 30, 2026, our net cash used in operating activities was RMB40.8 million. Our loss before tax was RMB85.2 million for the same period. The difference between our loss before tax and our net cash used in operating activities for the period was primarily attributable to (i) certain non-cash or non-operating items, mainly including finance costs of RMB40.1 million, equity-settled share-based payment of RMB1.6 million, depreciation of property, plant and equipment of RMB3.5 million and depreciation of right-of-use assets of RMB1.0 million, and (ii) changes in working capital, mainly including decrease in other payables and accruals of RMB3.4 million, placement of pledged deposits of RMB1.3 million and increase in inventories of RMB0.6 million, partially offset by increase in trade and bills payables of RMB4.0 million.

In order to improve our net operating cash outflow position, we are implementing a series of targeted initiatives aimed at strengthening cash generation and enhancing operational efficiency. Specifically, we are accelerating collection efforts for the sales of daily care product to shorten the cash conversion cycle, while concurrently advancing our Core Product PL-5 towards commercialization as planned to generate revenue streams and improve self-sustaining cash flow capabilities. In parallel, we are undertaking comprehensive cost control and efficiency enhancement measures across our operations to reduce non-essential expenditures. Our Director believes that the combined effect of these initiatives will progressively improve the our operating cash flow position over time.

Net Cash Generated from/used in Investing Activities

In 2024, our net cash generated from investing activities was RMB64.0 million, primarily attributable to the redemption of financial assets at fair value through profit or loss of RMB76.4 million, partially offset by the purchase of property, plant and equipment of RMB12.4 million.

In 2025, our net cash used in investing activities was RMB138.7 million, primarily attributable to the purchase of intangible assets of RMB0.4 million, purchase of property, plant and equipment of RMB1.0 million and purchase of financial assets at FVTPL of RMB373.5 million, partially offset by the redemption of financial assets at FVTPL of RMB236.2 million.

In the six months ended June 30, 2026, our net cash generated from investing activities was RMB86.4 million, primarily attributable to the purchase of financial assets at FVTPL of RMB224.0 million, purchase of land use right of RMB17.4 million and purchase of property, plant and equipment of RMB 0.6 million, partially offset by the redemption of financial assets at FVTPL of RMB 330.2 million.

Net Cash Generated from/used in Financing Activities

In 2024, our net cash generated from financing activities was RMB38.0 million, primarily attributable to the new bank loans of RMB39.9 million, partially offset by the interest paid of RMB0.5 million and the payment for lease liabilities of RMB1.4 million.

In 2025, our net cash generated from financing activities was RMB242.5 million, primarily attributable to the capital injection from shareholders of RMB225.0 million and new bank borrowings of 70.0 million, partially offset by the share issue expenses of RMB9.4 million, repayment of bank borrowings of RMB39.9 million, interest paid of RMB1.7 million and payment for lease liabilities of RMB1.5 million.

In the six months ended June 30, 2026, our net cash used in financing activities was RMB74.8 million, primarily attributable to new bank borrowings of RMB10.0 million, partially offset by repayment of bank borrowings of RMB80.1 million, interest paid of RMB0.4 million, payment for **[REDACTED]** expense of **[REDACTED]** and payment for lease liabilities of RMB0.7 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* (Unaudited)	*RMB'000*
Research and development costs for Core Product				
— Preclinical and clinical trial expenses	27,486	16,224	8,568	1,069
— Workforce employment costs	7,144	5,601	2,582	3,556
— Others[(2)]	6,193	3,809	1,472	2,727
Subtotal	40,823	25,634	12,622	7,352
Research and development costs for other product candidates				
— Preclinical and clinical trial expenses	4,693	10,779	3,638	5,082
— Workforce employment costs	11,216	13,326	6,995	6,154
— Others[(2)]	7,475	8,306	3,269	5,924
Subtotal	23,384	32,411	13,902	17,160
Total research and development costs	64,207	58,045	26,524	24,512
Workforce employment costs[(1)]	8,585	9,396	4,660	5,372
Non-income taxes, royalties and other governmental charges	184	43	24	720
Total	72,976	67,484	31,208	30,604

Notes:

(1) Workforce employment cost represents total non-research and development personnel costs mainly including salaries and benefits.

(2) Others refers to patent application expenses, material expenses, utility expenses and etc.

INDEBTEDNESS

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			
Interest-bearing bank borrowings	39,920	70,047	—
Lease liabilities	1,557	1,121	1,030
Non-current			
Lease liabilities	3,166	1,603	1,081
Total	**44,643**	**72,771**	**2,111**

Our Directors confirm that there has not been any material change in the indebtedness since the Latest Practicable Date up to the date of this Document.

Interest-bearing bank borrowings

As of December 31, 2024, December 31, 2025 and June 30, 2026, we had interest-bearing bank borrowings of RMB39.9 million, RMB70.0 million and nil, respectively. For the details of our interest-bearing bank borrowing, please see Note 25 of the Accountants' Report set out in Appendix I to this Document.

Lease Liabilities

As of December 31, 2024, December 31, 2025 and June 30, 2026, we had lease liabilities of RMB4.7 million, RMB2.7 million and RMB2.1 million, respectively.

The following table sets out our lease liabilities as of the dates indicated.

	As of December 31,		As of June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Current portion	1,557	1,121	1,030
Non-current portion	3,166	1,603	1,081
Total	**4,723**	**2,724**	**2,111**

Our lease liabilities decreased from RMB4.7 million as of December 31, 2024 to RMB2.7 million as of December 31, 2025, primarily because we had made rental payment. Our lease liabilities decreased from RMB2.7 million as of December 31, 2025 to RMB2.1 million as of June 30, 2026, primarily due to rental payments made in the ordinary course of business.

The following table sets forth the maturity profile of our lease liabilities as of the dates indicated based on contractual undiscounted payments.

	As of December 31,		As of June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	1,684	1,137	1,079
Over 1 year	3,334	1,625	1,106
Total	**5,018**	**2,762**	**2,185**

Except as discussed above, we did not have any 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 June 30, 2026.

As of the Latest Practicable Date, there was no material restrictive covenant in our indebtedness which could significantly limit our ability to obtain future financing, nor was there any material default on our indebtedness or breach of covenant during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that our Group did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the periods indicated.

	Year Ended December 31,		Six Months Ended June 30,
	2024	2025	2026
Current ratio[(1)]	0.07	0.23	0.11
Quick ratio[(2)]	0.06	0.22	0.11

Note:

(1) Current ratio is calculated based on the current assets divided by current liabilities.

(2) Quick ratio represents current assets less inventories and divided by current liabilities.

Current ratio

Our current ratio increased from 0.07 in 2024 to 0.23 in 2025, which primarily due to completion of our D+ round financing. Our current ratio then decreased to 0.11 for the six months ended June 30, 2026, primarily due to the decrease of cash and cash equivalents in the six months ended June 30, 2026.

Quick ratio

Our quick ratio increased from 0.06 in 2024 to 0.22 in 2025, which primarily due to the increase in cash and cash equivalents after completion of our D+ round financing. Our quick ratio then decreased to 0.11 in the six months ended June 30, 2026, primarily due to the decrease of cash and cash equivalents in the six months ended June 30, 2026.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements.

CAPITAL EXPENDITURE

Our capital expenditures during the Track Record Period primarily consisted of purchase of property, plant and equipment and intangible assets. Our capital expenditures were RMB12.4 million, RMB1.4 million, RMB0.1 million and RMB0.8 million in 2024, 2025 and for the six months ended June 30, 2025 and 2026, respectively.

We will continue to make capital expenditures to meet the expected growth of our business and our expansion plan. We intend to fund our future capital expenditures with financial resources available to us, including our existing cash balance, revenues from sales of daily-care products and **[REDACTED]** from the **[REDACTED]**.

QUALITATIVE AND QUANTITATIVE DISCLOSURE ABOUT FINANCIAL RISKS

We are exposed to a variety of financial risks, including market risks (such as currency risk and interest rate risk), credit risk and liquidity risk. Our management manages and monitors these exposures to ensure appropriate measures and implemented on a timely and effective manner. For details, please see Note 36 of the Accountants' Report set out in Appendix I to this Document.

Market Risks

For the details of market risks, please see Note 36 to the Accountants' Report in Appendix I to this document.

DIVIDENDS AND DIVIDEND POLICY

No dividend has been declared or paid by entities comprising our Group. See Note 12 of the Accountants' Report set out in Appendix I to this Document.

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 shareholders' meeting 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. As advised by our PRC Legal Advisor, 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. 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.

DISTRIBUTABLE RESERVES

As of June 30, 2026, we did not have any distributable reserves.

WORKING CAPITAL SUFFICIENCY

The Directors are of the opinion that, taking into account of the following financial resources available to us described below, we have sufficient working capital to cover at least 125% of our costs, including research and development expenses, selling and distribution expenses, administrative expenses, finance costs and other expenses for at least the next 12 months from the date of this Document:

(i) Our net operating cash flow;

(ii) Our cash and cash equivalents;

(iii) Our loan and credit facilities;

(iv) Our net proceeds from series D+ financing; and

(v) The estimated **[REDACTED]** from the **[REDACTED]**.

Our cash burn rate refers to the average monthly amount of net cash used in operating activities, capital expenditures, and other scheduled cash payment. Assuming an average cash burn rate going forward of 2.4 times the level for the six months ended June 30, 2026 based on our future plans of an increasing number of clinical trials including Phase II clinical trial of PL-5 in the U.S, Phase I clinical trial of PL-18 gel formula in China and planned Phase I clinical trial of PL-MD-333 in China, taking into account the scheduled payment of indebtedness, we estimate that our cash at bank and on hand and committed unutilised banking facilities, together with other financial assets and time deposits as of June 30, 2026, will be able to maintain our financial viability for 25 months, or, if we also take into account the estimated **[REDACTED]** (based on the **[REDACTED]** of HK$**[REDACTED]** per Share), 59 months. Our Directors and our management team will continue to monitor our working capital, cash flows, and our business development progress.

We have no immediate plan for future financing after the **[REDACTED]** taking into account our available cash, **[REDACTED]** from the **[REDACTED]** and based on our cash burn rate. However, with the continuing expansion of our business and development of our products and product candidates, or if we discover suitable targets for acquisition or business collaboration, we could not exclude the possibility to require further funding through public or private equity offerings, debt financing and other sources. We will comply with applicable laws and regulations, including requirements under the Listing Rules, when we proceed with such financings.

[REDACTED] EXPENSE

Assuming an **[REDACTED]** of HK$**[REDACTED]** per Share (being the mid-point of the indicative **[REDACTED]** range stated in this Document), the **[REDACTED]**, commissions, together with the Stock Exchange **[REDACTED]**, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee, legal and other professional fees, printing and other expenses relating to the **[REDACTED]**, which are payable by us are estimated to be RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**), of which RMB**[REDACTED]** are expected to be charged to our consolidated statements of profit or loss and other comprehensive income, and RMB**[REDACTED]** are expected to be deducted from equity following the **[REDACTED]**. The **[REDACTED]** expenses consist of RMB**[REDACTED]** **[REDACTED]**-related expenses and RMB**[REDACTED]** non-**[REDACTED]**-related expenses (including fees and expenses of legal advisors and the reporting accountant of RMB**[REDACTED]** and other fees and expenses of RMB**[REDACTED]**), representing **[REDACTED]**% of our **[REDACTED]** from the **[REDACTED]**. The **[REDACTED]** expenses above are the latest practicable estimate and are provided for reference only, and actual amounts may differ.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED CONSOLIDATED [REDACTED] ASSETS

For the details of unaudited **[REDACTED]** statement of adjusted consolidated **[REDACTED]** assets, please see Appendix II to this document.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, there has been no material adverse change in our financial or trading position or prospects since June 30, 2026 and up to the date of this document 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 in Appendix I to this document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

RELATIONSHIP WITH OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, Dr. Chen, chairman of the Board, an executive Director, chief executive officer, and president of our Company, was entitled to exercise voting rights in our Company in respect of (i) approximately 27.97% of our total issued Shares directly held by him and (ii) approximately 7.77% of our total issued Shares directly held by Jiangyin Puyuan, of which Dr. Chen was the executive and general partner. Pursuant to the partnership agreement of Jiangyin Puyuan, all management power and voting rights of Jiangyin Puyuan reside with its executive and general partner, Dr. Chen. As such, Dr. Chen (directly and indirectly through Jiangyin Puyuan) controlled approximately [35.74]% of the total issued share capital of our Company, and had, together with Jiangyin Puyuan, formed a group of controlling shareholders of the Company, prior to the completion of the **[REDACTED]**. Immediately following completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised and taking into account the Share Subdivision), Dr. Chen (directly and indirectly through Jiangyin Puyuan) will continue to control approximately **[REDACTED]**% of the total issued share capital of our Company. Dr. Chen and Jiangyin Puyuan will be our Single Largest Group of Shareholders upon **[REDACTED]**.

INTEREST IN COMPETING BUSINESS

Our Single Largest Group of Shareholders confirm that, as of the Latest Practicable Date, none of them was interested in any business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business that would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Our Directors believe that our Group will be capable of carrying out our business independently from our Single Largest Group of Shareholders and their respective close associates after the **[REDACTED]** for the reasons set out below.

Operational Independence

Our Group is operationally independent of our Single Largest Group of Shareholders and their respective close associates. We can make decisions and carry out our own business operations independently. We have sufficient capital, facilities, technology and employees to operate our business independently. We hold or enjoy the benefits of all relevant licenses and intellectual properties necessary to operate our business. We own or have the right to use all the operational facilities relating to our business. We have our own organizational structure made up of individual functional departments, each with specific areas of responsibilities. We have not shared any operational resources such as sales and marketing, risk management and general administration resources with our Single Largest Group of Shareholders or their respective close associates. We have also established a set of internal control procedures to facilitate the effective operation of our business. We independently manage and have independent access to our customers and suppliers. We have no business relationship or any arrangement with our Single Largest Group of Shareholders.

Based on the above, our Directors believe that our Group will be able to operate independently from our Single Largest Group of Shareholders and their respective close associates.

Management Independence

Upon the **[REDACTED]**, our Board will comprise 6 executive Directors, and 3 independent non-executive Directors, and our senior management team will comprise 5 members. Our executive Directors and senior management team are responsible for the daily management of our operations. See "Directors and Senior Management" for more details of our Directors and senior management.

Our Directors believe that our Directors and senior management are able to perform their roles in our Company independently and our Company is capable of managing its business independently from our Single Largest Group of Shareholders and their respective close associates for the following reasons:

(a) our Board has a balanced composition of executive Directors and independent non-executive Directors. Save for Dr. Chen, none of our Directors, including our independent non-executive Directors, are associated with our Single Largest Group of Shareholders or their respective close associates, which ensures that decisions of our Board are made only after due consideration of independent and impartial opinions;

(b) we have appointed three independent non-executive Directors which comprise more than one-third of the total members of the Board to ensure the decisions of our Board of Directors are made only after due consideration of independent and impartial opinions and promoting the interests of our Company and our Shareholders as a whole. We believe our independent non-executive Directors individually and collectively possess the requisite knowledge and experience to provide professional and experienced advice to our Company. Our Directors are of the view that our independent non-executive Directors are able to bring impartial and sound judgment to the decision-making process of our Board and protect the interests of our Company and our Shareholders as a whole;

(c) our Company has established internal control mechanisms to identify connected transactions to ensure that our Shareholders or Directors with conflicting interests in a proposed transaction will abstain from voting on the relevant resolutions;

(d) we have established corporate governance measures and adopted sufficient and effective control mechanisms to manage conflicts of interest, if any, between our Group and our Single Largest Group of Shareholders, which would support our independent management. See "— Corporate Governance" for further details;

(e) each of our Directors is aware of his or her fiduciary duties and responsibilities under the Listing Rules as a director of a listed issuer, which require that he or she acts for the benefit and in the best interest of our Company, and does not allow any conflict between his or her duties as a Director and his or her personal interests; and

(f) if there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective close associates, the interested Directors are obliged to declare and fully disclose such potential conflict of interests, and shall abstain from voting at the relevant Board meetings in respect of such transactions.

Based on the above, our Directors believe that they will be able to perform their managerial roles in our Group independently from our Single Largest Group of Shareholders and their respective close associates.

Financial Independence

We have adopted our own independent internal control and financial management systems and we also have an independent accounting and finance department responsible for discharging relevant financial and treasury function with relevant finance personnel. We make financial decisions and determine our use of funds according to our own business needs independently. Moreover, our Board has established the Audit Committee to provide independent oversight to, among others, our accounting and financial reporting processes.

We open and manage our bank accounts independently, and have not shared any bank account with our Single Largest Group of Shareholders. We have sufficient capital to operate our business independently, and have adequate internal resources and credit profile to support our daily operations. As of December 31, 2025, our Group had total bank loans amounting to approximately RMB20,000,000 guaranteed by Dr. Chen, all of which had been released on January 19, 2026. guaranteed by Dr. Chen. Please refer to Note 33 of the Accountants' Report as set out in Appendix I to this Document. Our Directors are of the view that our Group is capable of obtaining financing from independent third parties, if necessary, without reliance on our Single Largest Group of Shareholders, and accordingly is able to operate financially

independently from our Single Largest Group of Shareholders after the **[REDACTED]**. We do not expect to rely on our Single Largest Group of Shareholders or any of their close associates for financing after the **[REDACTED]** as we expect that our working capital will be primarily funded by cash generated from our business operation, and to a lesser extent, external indebtedness.

Based on the above, our Directors believe that our Group will be able to maintain financial independence from our Single Largest Group of Shareholders and their respective close associates after the **[REDACTED]**.

CORPORATE GOVERNANCE

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules, which sets out principles of good corporate governance in relation to, among other, directors, the chairman and executive officer, board composition, the appointment, re-election and removal of directors, their responsibilities and remuneration and communications with shareholders.

In order to further safeguard the interests of our Shareholders, we will adopt the following corporate governance measures to maintain good corporate governance standards and to avoid potential conflict of interests between our Group and our Single Largest Group of Shareholders:

(a) our Single Largest Group of Shareholders will confirm the status of their non-competing interest on an annual basis and to provide all information necessary, including all relevant financial, operation and market information and any other necessary information as required by our Company;

(b) our Company has established internal control mechanisms to identify connected transactions. Upon the **[REDACTED]**, if our Group enters into connected transactions with our Single Largest Group of Shareholders or their respective close associates, our Company will comply with the applicable requirements under the Listing Rules. Our Single Largest Group of Shareholders will also provide all information requested by our Company which is necessary for the review of any conflict of interest between our Group and the Single Largest Group of Shareholders, including for the purpose of annual review by the independent non-executive Directors;

(c) our independent non-executive Directors will review, on an annual basis, whether there are any conflicts of interests between our Group and our Single Largest Group of Shareholders and provide impartial and professional advice to protect the interests of our minority Shareholders. Our Group will also disclose decisions (with basis) on matters reviewed by the independent non-executive Directors in its annual and interim reports or by way of announcements;

(d) where a Shareholders' meeting is to be held to consider proposed transactions in which our Single Largest Group of Shareholders or their respective close associates have any material interests, our Single Largest Group of Shareholders and their respective close associates (as applicable) will not vote on the relevant resolutions;

(e) in the event of any potential conflict of interests, any Director(s) who has a material interest in the relevant transaction(s) shall abstain from voting at the relevant Board meeting and shall not be counted towards the quorum in respect of the relevant resolution(s) at such Board meeting;

(f) our Board has a balanced composition of executive Directors, non-executive Directors and independent non-executive Directors. Our independent non-executive Directors represent at least one-third of our Board, which ensures that our Board is able to effectively exercise independent judgment in its decision-making process and provide independent advice to our Shareholders. Our independent non-executive Directors individually and collectively possess the requisite knowledge, experience and competence to perform their duties. They will review whether there is any conflict of interests between our Group and our Single Largest Group of Shareholders or their respective close associates and provide impartial and professional advice to protect the interests of our minority Shareholders;

(g) where the advice from an independent professional, such as a financial or legal advisor, is reasonably requested by our Directors (including independent non-executive Directors), the appointment of such independent professional will be made at our Company's expenses, in accordance with the Corporate Governance Code as set out in Appendix C1 to the Listing Rules;

(h) any transactions between our Company and its connected persons shall be conducted in compliance with the relevant requirements of Chapter 14A of the Listing Rules, including the announcement, annual reporting and independent shareholders' approval requirements (if applicable) under the Listing Rules; and

(i) we have appointed Halcyon Capital Limited as our Compliance Advisor who will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules, including various requirements relating to Directors' duties and corporate governance matters.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage potential conflict of interests between our Group and our Single Largest Group of Shareholders and their respective close associates, and to protect our minority Shareholders' rights after the **[REDACTED]**.

SHARE CAPITAL

OVERVIEW

Before the [REDACTED]

As of the Latest Practicable Date, the registered capital of our Company was RMB51,533,475 divided into 51,533,475 Unlisted Shares with a nominal value of RMB1.00 each.

Upon the Completion of the Share Subdivision and the [REDACTED]

Immediately following the completion of the **[REDACTED]** and the conversion of **[REDACTED]** Unlisted Shares into H Shares, taking into account the Share Subdivision and assuming that the **[REDACTED]** is not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of our share capital
		(%)
Unlisted Shares	**[REDACTED]**	**[REDACTED]**
H Shares converted from Unlisted Shares[(1)]	**[REDACTED]**	**[REDACTED]**
H Shares to be issued pursuant to the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Total	**[REDACTED]**	**100.00**

Immediately following the completion of the **[REDACTED]** and the conversion of **[REDACTED]** Unlisted Shares into H Shares, taking into account the Share Subdivision and assuming that the **[REDACTED]** is fully exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of our share capital
		(%)
Unlisted Shares	**[REDACTED]**	**[REDACTED]**
H Shares converted from Unlisted Shares[(1)]	**[REDACTED]**	**[REDACTED]**
H Shares to be issued pursuant to the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Total	**[REDACTED]**	**100.00**

Note:

(1) Following the completion of the **[REDACTED]**, **[REDACTED]** Unlisted Shares held by our existing Shareholders will be converted into H Shares on a one-for-one basis and **[REDACTED]** on the Stock Exchange for trading. Filing of such conversion of Unlisted Shares into H shares has been completed with the CSRC on [•], 2026. 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 Our Company" in this Document.

RANKING

Upon completion of the **[REDACTED]** and the Conversion of Unlisted Shares into H Shares, our Company will consist of Unlisted Shares and H Shares. Unlisted Shares and H Shares are ordinary Shares in the share capital of our Company. However, H Shares generally may not be subscribed for by, or traded between, legal or natural persons of the PRC, apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, and other persons who are entitled to hold H Shares pursuant to relevant PRC laws and regulations or upon approval by any competent authorities.

Unlisted Shares and H Shares carry the same rights and will rank pari passu with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this Document. All dividends in respect of H Shares are to be declared in RMB and paid by our Company in Hong Kong SAR dollars or RMB, whereas all dividends for Unlisted Shares will be paid in RMB. Other than cash, dividends could also be paid in the form of Shares or a combination of cash and Shares.

CONVERSION OF UNLISTED SHARES INTO H SHARES

According to the regulations issued by the securities regulatory authorities of the State Council and the Articles of Association, the Unlisted Shares may be converted into H Shares, and such converted Shares may be listed and traded on an overseas stock exchange provided that the conversion, listing and trading of such converted Shares have been filed with the CSRC. Additionally, such conversion, trading and listing 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.

Pursuant to the filing notice of the CSRC dated [•], 2026, **[REDACTED]** Unlisted Shares will be converted to H Shares on a one-for-one basis and be **[REDACTED]** for trading on the Stock Exchange upon completion of the **[REDACTED]** and the Conversion of Unlisted Shares into H Shares.

[REDACTED] Review and Filing with the CSRC

In accordance with the Overseas Listing Trial Measures and guidelines announced by the CSRC, H-share listed companies shall file with the CSRC for the Conversion of Unlisted Shares into H shares for **[REDACTED]** and circulation on the Stock Exchange. An unlisted domestic joint stock company may file for "full circulation" when applying for an overseas **[REDACTED]**.

Our Company has [applied for] a "full circulation" filing when applying for an overseas **[REDACTED]** filing with the CSRC on [•], 2026, and [submitted] the filing reports, authorization documents of the shareholders of Unlisted Shares for which an H-share "Full Circulation" filing was applied, undertaking about the compliance of share acquisition and other documents in accordance with the requirements of the CSRC.

Our Company [has received] the filing notice from the CSRC dated [•], 2026 in relation to the filing of the overseas **[REDACTED]** and "Full Circulation," pursuant to which:

(i) our Company filed with the CSRC to issue no more than [•] H Shares with a nominal value of RMB0.50 each, which are all ordinary shares, and upon this issuance our Company may be **[REDACTED]** on the Main Board of the Stock Exchange;

(ii) our Company [filed] with the CSRC to convert a total of [•] Unlisted Shares (with a nominal value of RMB0.50 each) held by all the Shareholders of our Company immediately before the completion of the **[REDACTED]** (the "**Full Circulation Participating Shareholders**") into H Shares, and the relevant Shares may be **[REDACTED]** on the Stock Exchange upon completion of the conversion.

Where the **[REDACTED]** cannot be completed within one year upon receipt of the filing notice, and our Company will continue to conduct overseas **[REDACTED]** and **[REDACTED]** after that, it shall update the filing materials, and the CSRC will update the public filing information accordingly.

[REDACTED] Approval by the Stock Exchange

We have applied to the **[REDACTED]** for the granting of **[REDACTED]** of, and permission to **[REDACTED]**, our H Shares to be issued pursuant to the **[REDACTED]** and the H Shares to be converted from **[REDACTED]** Unlisted Shares on the Stock Exchange, which is subject to the approval by the Stock Exchange.

We will perform the following procedures for the Conversion of Unlisted Shares into H Shares after receiving the approval of the Stock Exchange: (i) giving instructions to our **[REDACTED]** regarding relevant share certificates of the converted H Shares; and (ii) enabling the converted H Shares to be accepted as eligible securities by **[REDACTED]** for deposit, clearance and settlement in the **[REDACTED]**. Registration on our **[REDACTED]** will be conditional on (a) our **[REDACTED]** lodging with the Stock Exchange a letter confirming the proper entry of the relevant H Shares on the **[REDACTED]** of members and the due dispatch of H Share certificates; and (b) the admission of the H Shares to **[REDACTED]** the Stock Exchange in compliance with the Listing Rules, the **[REDACTED]** in force from time to time. Until the converted shares are re-registered on our **[REDACTED]**, such Shares would not be **[REDACTED]** as H Shares. The Full Circulation Participating Shareholders may

only **[REDACTED]** the Shares upon completion of following domestic procedures. No approval by the general meeting of Shareholders is required for the **[REDACTED]** and trading of such converted Shares on an overseas stock exchange following the **[REDACTED]**. 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 the Shareholders and the public of any proposed conversion.

RESTRICTION ON TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

Pursuant to the PRC Company Law, our Shares issued prior to the **[REDACTED]** shall not be transferred within one year from the **[REDACTED]**.

Shares transferred by our Directors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company unless otherwise permitted by applicable laws and regulations. The Shares that the aforementioned persons hold in our Company cannot be transferred within half a year after they leave their positions as Directors or members of the senior management in our Company.

See "**[REDACTED]** — **[REDACTED]** — **[REDACTED]** — Undertakings Pursuant to the **[REDACTED]**" and "— Undertakings to the Stock Exchange Pursuant to the Listing Rules" for details of the lock-up undertakings of the Single Largest Group of Shareholders.

SHAREHOLDERS' GENERAL MEETING

For details of circumstances under which our Shareholders' general meeting is required, see "Appendix IV — Summary of Articles of Association."

GENERAL MANDATE TO ALLOT AND ISSUE SHARES

Subject to the completion of the **[REDACTED]**, pursuant to the Shareholders resolutions of the Company, the Board was granted with a general mandate to allot and issue H Shares (including the sale of treasury 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 resolution to revoke or change such mandate, whichever is the earlier, provided that, the number of Shares to be allotted or issued shall not exceed **[REDACTED]**% of the number of the H Shares in issue as of the **[REDACTED]**.

For details of the general mandate, see "Statutory and General Information — A. Further Information about Our Group — 4. Resolutions of Our Shareholders" in Appendix V to this Document.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following completion of the **[REDACTED]** (taking into account the Share Subdivision and assuming the **[REDACTED]** is not exercised) and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and **[REDACTED]**, the following persons will have an interest and/or short position in our Shares or underlying Shares which would fall to be disclosed to us under 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 issued voting shares of our Company or any other member of our Group:

		Shares interested in as of the Latest Practicable Date		Shares interested in immediately following the completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares (taking into account the Share Subdivision and assuming the [REDACTED] is not exercised)			
Name of Shareholder	Nature of interest[1]	Number of Unlisted Share	Approximate percentage of shareholding in our total share capital	Number of H Shares	Number of Unlisted Shares	% of shareholding in H Shares (as applicable)[2]	% of shareholding in the total issued share capital of our Company[2]
Dr. Chen	Beneficial owner	14,414,519	27.97%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
	Interest in controlled Corporation[3]	4,004,003	7.77%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Jiangyin Puyuan	Beneficial owner	4,004,003	7.77%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Guangzhou Xienuo	Beneficial owner	2,487,675	4.83%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Xiamen Xienuo	Beneficial owner	1,674,978	3.25%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Guangzhou Cherami	Interest in controlled corporation[4]	4,162,653	8.08%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Cherami Group	Interest in controlled corporation[4]	4,162,653	8.08%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Mr. Chen Ruibin (陳銳彬)	Interest in controlled corporation[4]	4,162,653	8.08%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Tianqi HK	Beneficial owner	4,109,606	7.97%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Chengdu Tianqi	Interest in controlled corporation[5]	4,109,606	7.97%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Mr. Jiang Weiping (蔣衛平)	Interest in controlled corporation[5]	4,109,606	7.97%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on the total number of **[REDACTED]** H Shares in issue immediately upon completion of the **[REDACTED]** and the Conversion of Unlisted Shares into H Shares (taking into account the Share Subdivision and assuming the **[REDACTED]** is not exercised).

(3) As of the Latest Practicable Date, Dr. Chen was the executive and general partner of Jiangyin Puyuan. As such, Dr. Chen was deemed to be interested in the 4,004,003 Shares directly held by Jiangyin Puyuan under the SFO. For further details of Dr. Chen and Jiangyin Puyuan, please refer to the section headed "Relationship with our Single Largest Group of Shareholders" in this Document.

(4) As of the Latest Practicable Date, (i) Guangzhou Cherami was the executive and general partner of Guangzhou Xienuo and Xiamen Xienuo and was deemed to be interested an aggregate of 4,162,653 Shares directly held by Guangzhou Xienuo and Xiamen Xienuo under the SFO; (ii) Cherami Group was beneficially interested in approximately 90% of the equity interests in Guangzhou Cherami and was deemed to be interested in an aggregate of 4,162,653 Shares directly held by Guangzhou Xienuo and Xiamen Xienuo under the SFO; and (iii) Mr. Chen Ruibin (陳銳彬) was the ultimate controller of Cherami Group and was deemed to be interested in an aggregate of 4,162,653 Shares directly held by Guangzhou Xienuo and Xiamen Xienuo under the SFO.

(5) As of the Latest Practicable Date, Tianqi HK was wholly owned by Chengdu Tianqi, which was in turn ultimately controlled by Mr. Jiang Weiping (蔣衛平). As such, each of Chengdu Tianqi and Mr. Jiang Weiping was deemed to be interested in the 4,109,606 Shares directly held by Tianqi HK.

(6) For completeness, in addition to the aforesaid interests, as of the Latest Practicable Date:

(i) Wuxi Guolian, as an executive and general partner of Jiangsu Jiequan, was deemed to be interested in the 2,668,784 Shares beneficially owned by Jiangsu Jiequan for the purpose of Part XV of the SFO. Wuxi Guolian Financial Investment Group Co., Ltd.* (無錫國聯金融投資集團有限公司) was a limited partner which held 59.90% partnership interest in Jiangsu Jiequan, and was therefore also deemed to be interested in the 2,668,784 Shares beneficially owned by Jiangsu Jiequan for the purpose of Part XV of the SFO.

(ii) Jiangyin Keji, as the sole shareholder of Jiangyin Chengyuan, was deemed to be interested in the 1,823,683 Shares beneficially owned by Jiangyin Chengyuan for the purpose of Part XV of the SFO.

(iii) Jiangyin Xinguolian Venture Capital Co., Ltd.* (江陰新國聯創業投資有限公司) ("**Jiangyin Xinguolian Venture**"), as an executive and general partner of Jiangyin Xinguolian, was deemed to be interested in the 1,234,334 Shares beneficially owned by Jiangyin Xinguolian for the purpose of Part XV of the SFO. Jiangyin Financial Investment Co., Ltd.* (江陰市金融投資有限公司), as a limited partner, held 51% partnership interest in Jiangyin Xinguolian, and is therefore also deemed to be interested in the 1,234,334 Shares beneficially owned by Jiangyin Xinguolian for the purpose of Part XV of the SFO.

(iv) Future Industry Investment , as the sole shareholder of Jiangyin Keji, was deemed to be interested in the 412,881 Shares beneficially owned by Jiangyin Keji for the purpose of Part XV of the SFO.

(v) Jiangsu Guojin Investmet Group, as the sole shareholder of Jiangsu Fiscal, was deemed to be interested in the 412,881 Shares beneficially owned by Jiangsu Fiscal for the purpose of the SFO.

(vi) Wuxi Innovation Investment Group Co., Ltd.* (無錫市創新投資集團有限公司) ("**Wuxi Innovation**") was beneficially interested in 55% of the equity interests in Wuxi Guolian and was deemed to be interested in the aforesaid 2,668,784 Shares which Wuxi Guolian was interested in;

(vii) Wuxi Guofa Capital Operation Co., Ltd.* (無錫市國發資本運營有限公司) was beneficially interested in 73.50% of the equity interests in Wuxi Innovation and was deemed to be interested in the aforesaid 2,668,784 Shares which Wuxi Innovation was interested in;

(viii) Jiangyin Xinguolian Group Co., Ltd.* (江陰市新國聯集團有限公司) ("**Xinguolian Group**") was the sole shareholder of Jiangyin Xinguolian Venture and was deemed to be interested in the aforesaid 1,234,334 Shares which Jiangyin Xinguolian Venture was interested in;

Jiangyin SASAC ultimately controls each of Jiangyin Keji, Xinguolian Group, Jiangyin Chengyuan and Jiangyin Future and was therefore also deemed to be interested in an aggregate of 3,470,898 Shares deemed interested by these entities, while Wuxi SASAC wholly owns Wuxi Guofa and was interested in an aggregate of 2,668,784 Shares deemed interested by Wuxi Guofa. Jiangyin SASAC and Wuxi SASAC were both controlled by Jiangsu State-owned Assets Supervision and Administration Commission (江蘇省國有資產監督管理委員會) ("**Jiangsu SASAC**"). As such, Jiangsu SASAC was deemed to be interested in 6,139,682 Shares held by the aforementioned entities in aggregate. In addition, Jiangsu Guojin Investment Group was ultimately controlled by the Department of Finance of Jiangsu. As such, the Department of Finance of Jiangsu was deemed to be interested in the 412,881 Shares held by Jiangsu Fiscal. For details, please refer to "History, Development and Corporate Structure — Information regarding the Pre-**[REDACTED]** Investors".

For those who are directly and/or indirectly interested in 10% or more of the issued voting shares of any other members of our Group, see "Appendix V — Statutory and General Information — C. Further Information about Our Directors and Substantial Shareholders" in this Document.

Save as otherwise disclosed herein, our Directors are not aware of any persons who will, immediately following the **[REDACTED]** and the Conversion of our Unlisted Shares into H Shares (taking into account the Share Subdivision assuming the **[REDACTED]** is not exercised), have any interests and/or short positions in the Shares or underlying Shares of our Company 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 will be, directly or indirectly, entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of our Company or any other member of our Group.

BOARD OF DIRECTORS

Upon the **[REDACTED]**, our Board will comprise nine Directors, including six executive Directors and three independent non-executive Directors[note]. Our Directors serve a term of [three] years and may be re-elected for successive re-appointments.

The table below sets out certain information of our Directors.

Name	Age	Position	Time of appointment as Director	Time of joining our Group	Major responsibilities	Relationship with other Directors and senior management
Executive Directors						
Dr. CHEN Yuxin (陳育新)	54	President, Chairman of the Board and Chief Executive Officer	April 2009	April 2009	Responsible for the overall strategic planning, business management and corporate governance of our Group	None
Mr. ZHANG Wendong (張文棟)	52	Vice President and Secretary of the Board	December 2025	July 2020	Responsible for securities-related affairs and financing	None
Mr. ZHOU Peng (周鵬)	44	Head of Finance	December 2025	May 2018	Responsible for finance department	None
Ms. CHEN Mingxia (陳明俠)	51	Vice President	December 2025	May 2009	Responsible for clinical research and development of new drugs, overseeing the clinical medicine department, pharmacovigilance department, registration department	None
Mr. FENG Shangbin (馮尚斌)	50	Head of Quality Department	December 2025	July 2019	Responsible for quality department	None
Mr. DONG Hu (董虎)	39	Head of Clinical Medicine Department	December 2025	June 2019	Responsible for clinical medicine department	None
Independent Non-executive Directors						
Dr. SHI Wei (施維)	66	Independent Non-executive Director	December 2025	December 2025	Responsible for providing independent opinion and judgment to our Board	None
Mr. QIAN Junfeng (錢俊峰)	47	Independent Non-executive Director	December 2025	December 2025	Responsible for providing independent opinion and judgment to our Board	None
Dr. XU Aimin (徐愛民)	58	Independent Non-executive Director	December 2025	December 2025	Responsible for providing independent opinion and judgment to our Board	None

Note: Mr. Chen Zhaoxin (陳照新), Ms. Ouyang Jinyu (歐陽謹瑜), Ms. Shu Wanting (舒琬婷), Ms. Gu Fei (顧菲), Mr. Shen Guangping (沈廣平), and Mr. Chen Zhuxi (陳築熙) were directors of our Company (the "Outgoing Directors") in the 12 months prior to the Latest Practicable Date, all of whom had already resigned on December 25, 2025, and had held non-executive roles and had not been involved in the day to day operations of the Company during his/ her tenure. Save for Mr. Chen Zhuxi who voluntarily departed due to the pre-**[REDACTED]** investor which he represented (i.e. Major Special Fund) no longer held any shares in the Company, all other Outgoing Directors resigned voluntarily upon re-election of the Board at our Company's conversion into a joint stock company with limited liability, in order to facilitate the reorganization of the Board for the **[REDACTED]**. None of the Outgoing Director has any disputes and/or disagreements with the Group, and there are no other matters in respect of their resignations that should be brought to the Stock Exchange's attention.

Executive Directors

Dr. CHEN Yuxin (陳育新), aged 54, is our executive Director, president, chief executive officer, and the chairman of the Board. He is primarily responsible for the overall strategic planning, business management and corporate governance of our Group. As chairman of the Board, Dr. Chen focuses on high-level governance, board supervision, and the review and approval of top-level corporate policies and budgets. As president, he assumes a regulatory-focused role, taking direct accountability for ensuring compliance of all departments, the provision of resources to guarantee independent quality controls, in particular, the strict compliance with GMP, GVP, and environmental safety regulations. As chief executive officer, Dr. Chen oversees production and operation management, organises and implements the annual business plan and investment proposals, and bridges governance and operations by spearheading the Group's macro strategic planning, driving business development, financial and commercial performance. Dr. Chen was appointed as our Director since April 2009, and will be re-designated as an executive Director upon **[REDACTED]**.

Dr. Chen has also been serving as the director and chief executive officer of Nanjing Denovo since May 2020, the director and general manager of Jiangsu Putai since July 2020, the director of Wuxi Ruiyi since August 2020, and the director and general manager of Hangzhou Fuertai since November 2024. He has also been the executive director of Changchun ProteLight since March 2007. Dr. Chen also has been serving as a director in each of our other subsidiaries.

From March 2007 to November 2018, Dr. Chen was a professor, doctoral supervisor, and academic leader at the key laboratory of molecular enzymology and engineering of the ministry of education at Jilin University* (吉林大學), the PRC. His international research experience includes a postdoctoral fellowship in the department of biochemistry and molecular genetics at the University of Colorado health sciences center, the U.S., from March 2005 to February 2007. Earlier in his career, he worked as a biochemistry teaching assistant in the department of biochemistry at the faculty of medicine, University of Alberta, Canada, from September 2000 to July 2001.

Dr. Chen obtained his bachelor's degree in biology from Northeast Normal University* (東北師範大學), the PRC, in July 1995, and obtained his master's degree in biochemistry from Jilin University* (吉林大學), the PRC in August 1998. After that, he obtained a doctor of philosophy in biochemistry from the faculty of medicine, University of Alberta, Canada, in March 2005. Dr. Chen also conducted postdoctoral research in the department of biochemistry and molecular genetics at the University of Colorado, the U.S., during 2005 to 2007.

Dr. Chen was awarded the title of 2025 Forbes China Pioneer Innovators in Industry Development* (2025福布斯中國行業發展領創者) by Forbes China in March 2025. In December 2021, he was honored with the Outstanding Standing Committee Member (10th Term)* (第十屆優秀常執委) award by the Jiangyin Federation of Industry and Commerce* (江陰市工商業聯合會) and received the title of May Day Labor Model of Wuxi City* (無錫市五一勞動模範). In April 2020, he was granted the Jiangsu Province May Day Labor Honorary Medal* (江蘇省五一勞動榮譽獎章). In July 2018, he received the Outstanding Contribution Award for Peptide Application* (多肽應用傑出貢獻獎) at the 15th Chinese International Peptide Symposium* (第十五屆中國國際多肽學術會議).

Mr. ZHANG Wendong (張文棟) ("Mr. Zhang"), aged 52, is our executive Director, vice president and secretary of the Board. He is primarily in charge of securities-related affairs and financing of our Group. Mr. Zhang was appointed as our Director in December 2025, and will be re-designated as an executive Director upon **[REDACTED]**.

Mr. Zhang served as securities affairs representative at Jiangsu Fasten Co., Ltd.* (江蘇法爾勝股份有限公司) ("**Jiangsu Fasten**"), a company listed on the Shenzhen Stock Exchange (Stock Code: 000890), from January 1998 to January 2008, and was primarily responsible for securities-related operations. Subsequently, from January 2008 to April 2014, Mr. Zhang was the board secretary at Jiangsu Fasten and was responsible for overseeing securities-related operations and investment activities. He was then the deputy general manager and board secretary at Jiangsu Fasten from April 2014 to March 2018, and the executive deputy general manager at Jiangsu Fasten from March 2018 to July 2020. Mr. Zhang was then an independent director at Vtron Group Co., Ltd.* (威創集團股份有限

公司) from June 2023 to January 2025. From June 2023 to June 2026, he was also an independent director at Zhongnan Red Culture Group Co., Ltd.* (中南紅文化集團股份有限公司), a company listed on the Shenzhen Stock Exchange (Stock Code: 002445).

Mr. Zhang obtained a bachelor's degree in metallic materials and heat treatment from Southeast University* (東南大學), the PRC, in June 1996 and obtained his master's degree in business administration from Jiangsu University* (江蘇大學), the PRC, in December 2014, respectively.

Mr. ZHOU Peng (周鵬) ("Mr. Zhou"), aged 44, is our executive Director and head of finance. He is primarily responsible for overseeing financial affairs of our Group. Mr. Zhou was appointed as our Director in December 2025, and will be re-designated as an executive Director upon **[REDACTED]**.

Mr. Zhou has extensive experience in corporate finance and governance. From September 2012 to April 2018, Mr. Zhou served as head of finance of HLA Group Corp., Ltd.* (海瀾之家集團股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 600398.SH)). Prior to that, he worked at Bekaert (China) Technology Research & Development Co., Ltd.* (貝卡爾特(中國)技術研發有限公司) from January 2009 to September 2012. From September 2007 to January 2009, he also worked at Jiangyin Rhenoflex New Materials Co., Ltd.* (江陰雷諾菲克斯新材料有限公司). Earlier in his career, Mr. Zhou worked at Jiangyin Huaming Electric Equipment Co., Ltd.* (江陰華明電氣設備有限公司) from July 2004 to May 2007.

Mr. Zhou has been a member of the Jiangsu Institute of Certified Public Accountant (江蘇省註冊會計師協會) since April 2017, and an intermediate accountant (中級會計) recognized by the Department of Human Resources and Social Security of Jiangsu Province* (江蘇省人力資源和社會保障廳) since August 2010. Mr. Zhou obtained a bachelor's degree in management from Changsha University of Science and Technology* (長沙理工大學), the PRC, in June 2004.

Ms. CHEN Mingxia (陳明俠) ("Ms. Chen"), aged 51, is our executive Director and vice president. She is mainly responsible for clinical research and development of new drugs, overseeing the clinical medicine department, pharmacovigilance department, registration department of our Group. Ms. Chen served as the R&D director of Changchun ProteLight from May 2009 to December 2019. Ms. Chen was appointed as our Director in December 2025, and will be re-designated as an executive Director upon **[REDACTED]**.

Ms. Chen has been serving as an adjunct graduate cooperation supervisor at Jilin University* (吉林大學) since October 2024. Prior to that, Ms. Chen served as laboratory supervisor and president's assistant at Beijing Huaanfo Pharmaceutical Research Center Co., Ltd. (北京華安佛醫藥研究中心有限公司) from May 2005 to April 2009; she served as the chief pharmacist and manager at Joinn Laboratories (China) Co., Ltd.* (北京昭衍新藥研究中心股份有限公司) (a company listed both on the Shanghai Stock Exchange (stock code: 603127.SH) and the Hong Kong Stock Exchange (stock code: 06127.HK)) from July 2002 to May 2005.

Ms. Chen completed her vocational undergraduate studies in clinical medicine from Norman Bethune University of Medical Science* (白求恩醫科大學), the PRC, in July 1996. She received her master's degree in pharmacology from Jilin University* (吉林大學), the PRC, in June 2022. In 2024, Ms. Chen was nominated as a leader of the Wuxi City "Taihu Talent Plan" Innovation and Leadership Talent Team* (無錫市"太湖人才計劃"創新領軍人才團隊帶頭人).

Mr. FENG Shangbin (馮尚斌) ("Mr. Feng"), aged 50, is our executive Director and head of our quality department. He is primarily responsible for overseeing the daily operations and management of the quality department of our Group. Mr. Feng was appointed as our Director in December 2025, and will be re-designated as an executive Director upon **[REDACTED]**. Mr. Feng is a licensed pharmacist.

With over two decades of extensive professional experience, Mr. Feng has built a career spanning several well-known domestic and international pharmaceutical and biotechnology companies, demonstrating profound expertise and exceptional leadership. Prior to joining our Company, he served as deputy general manager of quality at Jiangsu Coben Pharma Co., Ltd.* (江蘇科本藥業有限公司) from May to July 2019. From April 2018 to May 2019, he held the position of quality manager at Jiangsu Lingyun Pharmaceutical Co., Ltd.* (江蘇凌雲藥業股份有限公司). Prior to that Mr. Feng worked as senior quality manager at CoronBio Biotechnology (Taicang) Co., Ltd.* (中美冠科生物技術(太倉)有限公司) from December 2015 to March 2018. From October 2009 to October 2015, he was

employed as quality manager at Wuxi Jida Pharmaceutical Co., Ltd.* (無錫積大製藥有限公司). Between October 2007 and October 2009, Mr. Feng worked at Yessamin (Nantong) Healthcare Co., Ltd.* (耶賽明(南通)保健食品有限公司). Prior to that, he worked at the Wuxi branch of AstraZeneca Pharmaceutical Co., Ltd.* (阿斯利康製藥有限公司無錫辦事處) from April 2003 to October 2007. Previously, Mr. Feng worked at Wuxi No.7 Pharmaceutical Co., Ltd.* (無錫市第七製藥有限公司) from July 1999 to March 2003.

Mr. Feng obtained his master's degree in chemical engineering from Changzhou University* (常州大學), the PRC, in July 2015. He obtained his bachelor's degree in science (pharmaceutical formulation) from China Pharmaceutical University* (中國藥科大學).

Mr. DONG Hu (董虎) ("Mr. Dong"), aged 39, is our executive Director and head of our clinical medical department. He is primarily responsible for the daily operations and administration of the clinical medicine department of our Group. Mr. Dong was appointed as our Director in December 2025, and will be re-designated as an executive Director upon **[REDACTED]**.

Mr. Dong possesses extensive experience in drug research and development. Prior to joining our Company, he worked at Yangtze River Pharmaceutical Group* (揚子江藥業集團有限公司) from July 2015 to May 2019 and was appointed as a clinical project manager and clinical leader in March 2017. From July 2012 to May 2015, he worked at Jiangsu Ascentage Pharma Corporation Limited* (江蘇亞盛醫藥開發有限公司) (a company listed on the Hong Kong Stock Exchange (stock code: 06855.HK)).

Mr. Dong obtained his bachelor's degree in bioengineering from China Pharmaceutical University* (中國藥科大學), the PRC, in 2008. He received his master's degree in physiology from Wenzhou Medical University* (溫州醫科大學), the PRC, in 2012.

Mr. Dong was also selected as a core member of the Entrepreneurship Leading Team under the 2021 Wuxi Taihu Talent Program* (2021年無錫市"太湖人才計劃"創業領軍團隊), a prestigious recognition of his innovative capabilities and leadership potential.

Independent Non-executive Directors

Dr. SHI Wei (施維) ("Dr. Shi"), aged 66, is an independent non-executive director of our Company. He is primarily responsible for providing independent opinion and judgment to our Board. Dr. Shi was appointed as an independent Director in December 2025, and will be redesignated as an independent non-executive Director from the **[REDACTED]**.

Dr. Shi has been appointed as a director of Changchun BCHT Biotechnology Co.* (長春百克生物科技股份公司) (a company listed on the Shanghai Stock Exchange (stock code: 688276.SH)), since 2024. He had also served as a director of Tonghua Dongbao Pharmaceutical Co., Ltd.* (通化東寶藥業股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 600867.SH)), from 2015 to 2021.

Dr. Shi has long been dedicated to research and teaching in the fields of molecular biology, immunology, and tumor immunology, possessing a profound academic background and extensive research experience. From September 2006 to September 2024, he served as professor at the Key Laboratory of Molecular Enzyme Engineering, Ministry of Education, Jilin University* (吉林大學分子酶工程學研究室教育部重點實驗室), the PRC. From April 2001 to March 2005, Dr. Shi was granted a CIHR Fellowship funded by the Canadian Institutes of Health Research (CIHR) at the Ontario Cancer Institute in Canada. Between April 1999 and March 2001, he was appointed as a foreign special researcher under the Japan Society for the Promotion of Science (JSPS) in the molecular immunology laboratory at the Institute of Microbial Diseases, the University of Osaka, Japan. From October 1993 to March 1999, he worked as a researcher in the immunology laboratory at the Institute of Cellular Engineering, the University of Osaka, Japan. Previously, Dr. Shi served as an assistant researcher in the molecular genetics laboratory at the Institute of Biological Engineering, Academy of Military Medical Sciences, Beijing* (北京軍事醫學科學院生物工程研究所).

Dr. Shi was awarded the Outstanding Overseas Returned Talent Award of Jilin Province* (吉林省優秀海外歸國人才優秀獎) in December 17, 2014 by Jilin Association for Science and Technology* (吉林省科學技術協會).

Dr. Shi obtained his bachelor's degree in biochemistry from Jilin University* (吉林大學), the PRC, in December 1982. He received his master's degree in medicine from PLA Military Medical College of Continuing Education* (北京解放軍軍醫進修學院), the PRC, in July 1988. In March 1999, he earned his doctor of philosophy in medicine (immunology) from the University of Osaka, Japan.

Mr. QIAN Junfeng (錢俊峰) ("Mr. Qian"), aged 47, is an independent non-executive director of our Company. He is primarily responsible for providing independent opinion and judgment to our Board. Mr. Qian was appointed as an independent Director in December 2025, and will be redesignated as an independent non-executive Director from the **[REDACTED]**.

Mr. Qian is an experienced accountant with extensive practical expertise in auditing, particularly in the audit of listed companies. He obtained Chinese Certified Public Accountant (CICPA) certificate in 2009. Since December 2006, he has been working at Tianheng Certified Public Accountants (Special General Partnership)* (天衡會計師事務所(特殊普通合夥)) and has been serving as a partner since August 2018 and as a partner and head of audit department since July 2025. In 2002, Mr. Qian served as a staff member at the Securities Investment Department of Jiangsu Zongyi Co., Ltd. (江蘇綜藝股份有限公司) (stock code: 600770. SH). From April 2003 to November 2006, he worked at Panda Group Co., Ltd.* (熊貓集團有限公司).

Mr. Qian obtained his bachelor's degree in investment economics from Nanjing University* (南京大學), the PRC, in June 2001.

Dr. XU Aimin (徐愛民) ("Dr. Xu"), aged 58, is an independent non-executive director of our Company. He is primarily responsible for providing independent opinion and judgment to our Board. Dr. Xu was appointed as an independent Director in December 2025, and will be redesignated as an independent non-executive Director from the **[REDACTED]**.

Dr. Xu has extensive academic and research experience in the biomedical field. Since December 2024, he has been serving as the director of the Guangdong-Hong Kong Joint Laboratory of Metabolic Medicine* (粵港代謝醫學聯合實驗室). Since September 2024, he has held the position of Rosie Young Endowed Professor at the University of Hong Kong. Dr. Xu Aimin had been working at Li Ka Shing Faculty of Medicine, The University of Hong Kong between 2002 and June 2007, during which he was mainly responsible for conducting research in, among others, the field of adiponectin. From July 2007 to May 2011, Dr. Xu was an associate professor specializing in medicine, pharmacology and pharmacy at the University of Hong Kong. He was then a professor at the University of Hong Kong from June 2011 to April 2018. Since July 2013, Dr. Xu was also the director of the State Key Laboratory of Pharmaceutical Biotechnology at the University of Hong Kong. Since May 2018, Dr. Xu has been a chair professor in the department of medicine and the department of pharmacology and pharmacy at the University of Hong Kong. Previously, Dr. Xu has been a director of the Hong Kong Institute of Metabolic Medicine.

Dr. Xu obtained his bachelor's degree in medicine from Anhui Medical University* (安徽醫科大學), the PRC in June 1989. Subsequently, he obtained his doctor of philosophy in Biological Sciences from the University of Auckland, New Zealand, in May 2020, and then conducted postdoctoral research in molecular medicine at the same university from November 1999 to July 2002.

In 2025, Dr. Xu and his team received the Gold Medal at the International Exhibition of Inventions of Geneva, awarded by the Swiss Federal Government and the World Intellectual Property Organization. This same honor was also conferred upon him and his team in 2019. Furthermore, in 2024, he was awarded the National Natural Scientist Award (Second Class)* (國家自然科學獎(二等)) by the State Council of the People's Republic of China* (中華人民共和國國務院). In 2021, he received the National Science and Technology Progress Award (Second Class)* (國家科技進步獎(二等)) from the State Council of the People's Republic of China* (中華人民共和國國務院). Additionally, in 2019, he was granted the Medical Science and Technology Award (Second Class)* (中華醫學會醫學科技獎(二等)) by the Chinese Medical Association* (中華醫學會). In 2017, he was honored with the Guangdong Province Science and Technology Award (First Class)* (廣東省科學技術一等獎) by the Department of Science and Technology of Guangdong Province* (廣東省科技廳). In 2016, he received the Croucher Senior Research Fellowship from the Croucher Foundation in Hong Kong.

OTHER INFORMATION IN RELATION TO OUR DIRECTORS

Each of the independent non-executive Directors confirms (i) his/her independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules, (ii) that he/she had no past or present financial or other interest in the business of the Company or its subsidiaries 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 are no other factors that may affect his/her independence at the time of his/her appointment.

Save as disclosed in this Document, as of the Latest Practicable Date, (i) each of the Directors and members of senior management did not hold any other positions in our Group, (ii) none of our Directors had any other relationship with any Directors, senior management or Substantial Shareholders of our Company; (iii) none of our Directors held any directorship in any other listed companies in the three years immediately prior to the date of this Document; and (iv) none of our Directors had interests in business, which competes or is likely to compete, either directly or indirectly with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

Save as disclosed in this Document, to the best knowledge, information and belief of our Directors having made all reasonable enquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of the Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules as of the Latest Practicable Date. For the Directors' interests in the Shares within the meaning of Part XV of the SFO, see "Appendix V — Statutory and General Information."

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on January 14, 2026, and (ii) understands his or her obligations as a director of a **[REDACTED]** company under the Listing Rules.

SENIOR MANAGEMENT

The following table sets forth certain information of the senior management of our Group:

Name	Age	Position	Principal roles and responsibilities	Time of joining our Group	Time of appointment as Senior Management	Relationship with other Directors and senior management
Dr. CHEN Yuxin (陳育新).	54	President and Chief Executive Officer	Responsible for the overall strategic planning, business management and corporate governance of our Group	April 2009	April 2009	None
Ms. CHEN Mingxia (陳明俠).	51	Vice President	Responsible for clinical research and development of new drugs, overseeing the clinical medicine department, pharmacovigilance department, registration department	May 2009	May 2009	None
Mr. ZHANG Wendong (張文棟).	52	Vice President and Secretary of the Board	Responsible for securities-related affairs and financing	July 2020	July 2020	None
Mr. ZHOU Peng (周鵬)	44	Head of Finance	Responsible for financial planning, budgeting and cashflow management	May 2018	May 2018	None

Name	Age	Position	Principal roles and responsibilities	Time of joining our Group	Time of appointment as Senior Management	Relationship with other Directors and senior management
Dr. ZHU Xu (諸旭) .	48	Vice President	Responsible for drug discovery, non-clinical/pharmaceutical research and development, and overseeing the chemical drug R&D department, biopharmaceutical department, pharmacology and toxicology department, pharmaceutical analysis department, and pharmaceutical formulation department	January 2023	January 2023	None

Dr. CHEN, aged 54, was appointed as our president and chief executive officer in March 2009. For details of his biography, please see "— Board of Directors" above.

Ms. CHEN Mingxia (陳明俠), aged 51, was appointed as our vice president in May 2009. For details of her biography, please see "— Board of Directors" above.

Mr. ZHANG Wendong (張文棟), aged 52, was appointed as our vice president and secretary of the Board in July 2020. For details of his biography, please see "— Board of Directors" above.

Mr. ZHOU Peng (周鵬), aged 44, was appointed as our head of finance in May 2018. For details of his biography, please see "— Board of Directors" above.

Mr. ZHU Xu (諸旭) ("Mr. Zhu"), aged 48, is our vice president. He is primarily responsible for drug discovery, non-clinical/pharmaceutical research and development, and overseeing the chemical drug R&D department, biopharmaceutical department, pharmacology and toxicology department, pharmaceutical analysis department, and pharmaceutical formulation department.

Mr. Zhu possesses extensive work experience in formulating R&D strategies related to drugs for oncology, autoimmune diseases, central nervous system disorders, rare diseases, and other therapeutic areas. Mr. Zhu joined Axter Therapeutics (Tianjin) Co., Ltd.* (艾斯拓康生物醫藥(天津)有限公司) from July 2021 to December 2022 and served as vice president of non-clinical research and development. Prior to that, Mr. Zhu worked at Pfizer Inc from 2011 to 2021.

Mr. Zhu obtained his bachelor's degree in pharmacy from Shenyang Pharmaceutical University* (沈陽藥科大學), the PRC, in June 2001. He received his master's degree in neuropharmacology from the University of British Columbia, Canada, in June 2006. In June 2012, he earned his doctor of philosophy in immunopharmacology and toxicology from the University of Toronto, Canada.

JOINT COMPANY SECRETARIES

The Company has appointed Mr. ZHANG Wendong and Ms. WONG Mei Fung Carrie as our joint company secretaries. For the biographical details of Mr. ZHANG Wendong, please refer to the paragraphs headed "— Board of Directors" in this section.

Ms. WONG Mei Fung Carrie will be appointed as our joint company secretary effective upon **[REDACTED]**.

Ms. Wong has over 20 years of experience in company secretarial and corporate governance fields and is currently a Manager, Entity Solutions at Computershare Hong Kong Investor Services Limited. She obtained a Bachelor of Arts Degree in Accounting and Finance from Edinburgh Napier University. She is a fellow member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

BOARD COMMITTEES

Our Company has established three Board Committees in accordance with the relevant PRC laws and regulations, the Articles and the corporate governance practice under the Listing Rules, namely the Audit Committee, the Remuneration Committee and the Nomination Committee.

Audit Committee

The Audit Committee is tasked with overseeing our Company's financial reporting processes, internal controls, and risk management systems. It ensures the integrity of the Company's financial statements and compliance with applicable laws and regulations. The Audit Committee comprises three Directors, including Mr. QIAN Junfeng (錢俊峰), Dr. XU Aimin (徐愛民), and Dr. SHI Wei (施維). Mr. Qian, who holds the appropriate professional qualifications as required under the Listing Rules, serves as the chairperson of the committee. The primary duties include, but not limited to the following:

- Monitoring and reviewing the work of external auditors and ensuring their independence.
- Overseeing the internal audit function and evaluating the effectiveness of internal controls.
- Reviewing our Company's financial statements and making recommendations to the Board.
- Ensuring compliance with corporate governance practices and regulatory requirements.
- Reviewing and approving connected transactions to ensure fairness and transparency.

Remuneration Committee

The Remuneration Committee is responsible for establishing a transparent and fair remuneration framework for the Directors and senior management. The committee ensures that the remuneration policies align with our Company's performance and strategic goals. The Remuneration Committee comprises three Directors, including Dr. SHI Wei (施維), Dr. CHEN, and Dr. XU Aimin (徐愛民). Dr. SHI Wei serves as the chairperson of the committee. The primary duties include, but not limited to, the following:

- Reviewing and recommending the remuneration packages, bonuses, and other compensation for Directors and senior management.
- Establishing performance evaluation standards and conducting annual performance appraisals for Directors and senior management.
- Ensuring that no Director or any of their associates is involved in determining their own remuneration.
- Monitoring the implementation of our Company's remuneration policies, including share-based compensation schemes.
- Reviewing and approving matters related to share schemes under Chapter 17 of the Listing Rules.

Nomination Committee

The Nomination Committee is responsible for ensuring that the Board has a balanced composition of skills, experience, and diversity to effectively oversee our Company's operations. The Nomination Committee consists of three Directors, including Dr. XU Aimin (徐愛民), Ms. CHEN Mingxia (陳明俠), and Dr. SHI Wei (施維). Dr. XU Aimin serves as the chairperson of the committee. The primary duties include, but not limited to the following:

- Reviewing the structure, size, and composition of the Board to ensure diversity and alignment with our Company's strategic needs.
- Identifying and recommending individuals suitably qualified to become Directors or senior management.
- Evaluating the independence of independent non-executive Directors.

- Overseeing Board succession planning to ensure continuity in leadership.
- Formulating and implementing policies related to Board diversity and disclosing progress in achieving diversity objectives.

BOARD DIVERSITY POLICY

Our Company recognises and embraces the importance of board diversity as a key driver of effective decision-making and corporate governance. To this end, we have adopted a board diversity policy that sets out the objective and approach to achieving and maintaining diversity at the Board level. This policy is designed to ensure that the Board benefits from a broad range of perspectives, skills, and experiences, which are essential for the sustainable growth of our Company. Pursuant to our board diversity policy, we seek to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, race, educational background, cultural background and professional experience.

We remain committed to promoting gender diversity across all levels of our Company, particularly within the Board and senior management. This includes maintaining at least one female Director and ensuring female representation on the Nomination Committee at all times. We will actively encourage the recommendation of female board candidates and expose promising mid to senior level staff to Board meetings to cultivate a pipeline of future directors. Furthermore, we emphasize gender diversity in mid to senior level recruitment and provide targeted training and long-term development opportunities for female talent in areas such as operations, management, finance, and legal compliance. These efforts will ensure a sustainable pool of qualified female candidates for future Board nominations and senior leadership roles.

Our Directors have a mixed of knowledge and skills, including but not limited to biochemistry, accounting and corporate governance. Furthermore, our Board consist of eight male members and one female member, with ages ranging from 39 to 66, and who have diverse experience in business management, biopharmaceutical R&D, clinical development, legal, finance and accounting. Our Company has reviewed the membership, structure and composition of our Board, and is of the opinion that the structure of our Board is reasonable, and the experience and skills of the Directors in various aspects and fields can enable our Company to maintain a high standard of operation.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

We offer our executive Directors, who are also our Company's employees, compensation in the form of salaries, discretionary bonus, share-based payment, social welfare and other benefits in kind. Our independent non-executive Directors receive compensation with reference to their respective positions and duties, including being a member or the chairperson of Board committees. For the two years ended December 31, 2025 and the six months ended June 30, 2026, the aggregate amount of remuneration paid, including share-based compensation, to our Directors amounted to RMB2,027,000, RMB2,774,000, and RMB3,440,000, respectively.

The remuneration of our Directors was determined with reference to factors including but not limited to the responsibility, risk and commitment of our Directors and senior management, the performance evaluation structure and results and the salaries paid by comparable companies.

The aggregate remuneration of the five highest-paid employees (who were neither a director nor chief executive of the Company) for the two years ended December 31, 2025 and the six months ended June 30, 2026 amounted to RMB5,744,000, RMB5,579,000, and RMB1,528,000, respectively.

It is estimated that remuneration is equivalent to approximately RMB8,604,011 in aggregate paid to the Directors and members of senior management by our Company for the year ended December 31, 2026.

No remuneration was paid by the Company to the Directors, members of senior management or the five highest paid individuals as an inducement to join or upon joining the Company or as compensation for loss of office during the Track Record Period. Furthermore, none of the Directors had

waived or agreed to waive any remuneration during the Track Record Period. Save as disclosed above, no other payments have been paid, or are payable, by our Company to our Directors or the five highest-paid individuals during the Track Record Period.

CORPORATE GOVERNANCE CODE

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company intends to comply with 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]**.

DEVIATION FROM CORPORATE GOVERNANCE CODE

Pursuant to code provision C.2.1 in the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Dr. CHEN is currently serving as the chairman of our Board, executive Director, and chief executive officer (who is responsible under the immediate authority of the Board for the conduct of the business of the Company). Dr. CHEN is a founder of our Group and has been primarily involved in overall strategic planning and development of our Group and overall operation of our Group. Our Directors consider that vesting the roles of both the chairman of the Board and the chief executive officer of the Company in Dr. CHEN is beneficial to the business prospects of the Group by ensuring consistent leadership to the Group as well as prompt and effective decision-making and implementation. In addition, our Directors believe that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) decision to be made by our Board requires approval by at least a majority of our Directors; (ii) Dr. CHEN and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that he acts for the benefit and in the best interests of our Company and will make decisions for our Company accordingly; (iii) the balance of power and authority is ensured by the operations of the Board and the senior management in accordance with the Listing Rules, the Articles and other applicable laws and regulations; and (iv) the overall strategic and other key business, financial, and operational policies of our Company are made collectively after thorough discussion at both the Board, and senior management levels.

We will continue to review our corporate governance policies and compliance with the Listing Rules and will adhere to the relevant principles as set out in the Corporate Governance Code after the **[REDACTED]**.

COMPLIANCE ADVISOR

We have appointed Halcyon Capital Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules and the terms of engagement, the Compliance Advisor will advise our Company in certain circumstances including:

- before the publication of any regulatory announcement, circular or financial report;
- where a transaction, which might be a notifiable or connected transaction, is contemplated including share issues, sales or transfers of treasury shares and share repurchases;
- where our Company proposes to use the **[REDACTED]** of the **[REDACTED]** in a manner different from that detailed in this Document or where the business activities, developments or results of the **[REDACTED]** deviate from any forecast, estimate, or other information in this Document; and
- where the Hong Kong Stock Exchange makes an inquiry to our Company regarding unusual movements in the price or **[REDACTED]** of our Company's **[REDACTED]** Shares, the possible development of a false market in its securities, or any other matters in accordance with Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, Halcyon Capital Limited will, in a timely manner, inform us of any amendment or supplement to the Listing Rules and new or amended laws and regulations in Hong Kong applicable to us.

The term of the appointment will commence on the date of **[REDACTED]** of the Shares and is expected to end on the date on which we distribute our financial results for the first full financial year commencing after the date of its **[REDACTED]**.

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

See "Business — Our Strategies" for a detailed description of our future plans.

USE OF [REDACTED]

Assuming an **[REDACTED]** of HK$**[REDACTED]** per H Share (being the mid-point of the **[REDACTED]** Range of between HK$**[REDACTED]** and HK$**[REDACTED]** per H Share) and the **[REDACTED]** is not exercised, we estimate that we will receive **[REDACTED]** of approximately HK$**[REDACTED]** from the **[REDACTED]** after deducting the **[REDACTED]** and other estimated expenses paid and payable by us in connection with the **[REDACTED]**. In line with our strategies, we intend to use our **[REDACTED]** from the **[REDACTED]** for the purposes and in the amounts set forth below:

— Approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]**, is expected to be used for the research and development ("**R&D**") of our drug candidates.

- Approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]**, is expected to be used for the R&D of our Core Product, PL-5, including:

  (i) approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]**, will be used to fund the ongoing Phase II clinical trial of PL-5 in the U.S. for IWGDF Grade II diabetic foot infection. We intend to enroll a total of 90 subjects.

  (ii) approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]**, will be used to fund a planned Phase III clinical trial of PL-5 in the U.S. for IWGDF Grade II diabetic foot infection. We plan to initiate this trial in the second half of 2028 and enroll a total of about 800 subjects. We expect to enroll about 560 subjects at the end of 2030.

  (iii) approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]**, will be used to fund a post market clinical evaluation of PL-5 after the NDA approval of PL-5 in China. Such **[REDACTED]** will be used for one or more of the following categories of activities, in accordance with standard pharmaceutical practices in the biotech industry: (a) regulatory-mandated post-marketing safety surveillance and follow-up studies required by regulatory authorities; and (b) voluntary clinical research that we may initiate to generate additional clinical evidence.

- Approximately **[REDACTED]**% of the **[REDACTED]**, or approximately HK$**[REDACTED]**, will be used to fund the clinical trial research of our key products PL-3301 and PL-18, including:

  (i) approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]**, will be allocated for the Phase I, II and III trials of PL-3301 for oropharyngeal candidiasis in China, with HK$**[REDACTED]** for Phase I clinical trial, HK$**[REDACTED]** for Phase II clinical trial and HK$**[REDACTED]** for Phase III clinical trial. For the Phase I trials, we enrolled 75 subjects in total and completed the trials in July 2026. For Phase II trial, we plan to initiate the trial in September 2026 and enroll a total of 180 subjects. For Phase III trial, we plan to initiate the trial in 2029 and enroll a total of 480 subjects.

  (ii) approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]**, will be allocated for the Phase II clinical trial of PL-18 suppository formulation in China, as well as to advancing PL-18 gel formulation into clinical stage in China.

  We plan to allocate HK$**[REDACTED]** for the Phase II trial for VVC with suppository formulation and HK$**[REDACTED]** for the Phase II trial for VVC with gel formulation. For the Phase II trial with suppository formulation, we completed CSR in April 2026. [For the Phase II trial with gel formulation, we plan to initiate the clinical trial by March 2027 with an enrollment of a total of 32 subjects.]

- Approximately **[REDACTED]**% of the **[REDACTED]**, or approximately HK$**[REDACTED]**, will be used to fund the clinical trial research of PL-MD-333, with a planned Phase I clinical trial for the treatment of obesity in China expected to start in 2027. We plan to seek FDA approval in the United States based on clinical trial data generated in China and expect to initiate a supplemental Phase I clinical trial for the treatment of obesity expected to start in 2028.

  We plan to allocate a total of HK$**[REDACTED]** for our Phase I, II and III trials of PL-MD-333 for obesity in China. For the Phase I trial, we plan to initiate the trial in 2027 and enroll a total of 84 subjects. For the Phase II trial, we plan to initiate the study in 2029 with a Phase II/III seamless design, enrolling a total of 120 subjects. For the Phase III trial, we plan to initiate the study in 2030 and enroll a total of 660 subjects.

  We also plan to allocate a total of HK$**[REDACTED]** for our Phase I and II trials of PL-MD-333 for obesity in the U.S. For the U.S. Phase I trial, we plan to initiate a supplemental Phase I clinical trial in 2028 with planned enrollment of a total of 24 subjects. For the US Phase II trial, we plan to initiate the study in 2030 and enroll a total of 120 subjects.

- Approximately **[REDACTED]**% of the **[REDACTED]**, or approximately HK$**[REDACTED]**, will be used for the R&D of our other preclinical candidates, including PL-3301 (for pulmonary infection), PL-4902, PL-MD-333, PL-AC-1001, PL-AC-1201, PL-AC-2001, and PL-AC-2301.

  Although these pipeline candidates are currently at the preclinical development stage, we expect to undertake a number of critical preclinical development activities for them over the next five years. Such activities are expected to include, among others, candidate optimization, pharmacology studies, pharmacokinetic studies, toxicology studies, GLP toxicology studies, pharmaceutical development and CMC activities, as well as preparations for IND submissions.

  The breakdown of the estimated R&D expenditure for each preclinical pipeline candidate over the next five years is set out below:

[REDACTED]

- Approximately **[REDACTED]**% of the **[REDACTED]**, or approximately HK$**[REDACTED]**, will be used for the upgrade and iteration of our technology platforms.

  We will utilize the relevant **[REDACTED]** to support the phased upgrading and iterative evolution of our four core proprietary technology platforms over the period from 2026 to 2030, in alignment with our staged development roadmap. For our Antimicrobial Peptide De Novo Design Platform ("**AMPDDP**"), we will sequentially integrate AI modules, optimise platform efficacy, expand pathogen coverage, build

resistance monitoring systems, and advance corresponding candidate programmes through preclinical and clinical development milestones as scheduled. For the PROnexTAC Degrader Discovery Platform, we will integrate AI capabilities, expand ligase library coverage, optimise degrader design and functional modules, establish degradation biomarker systems, and promote our degrader pipeline through preclinical and clinical development stages. Regarding our Formulation Diversified Development & Precision Delivery Platform ("**FDDP**"), we will develop novel delivery carriers, optimize formulation technologies, build standardised manufacturing processes and quality control protocols, and develop customised dosage forms for pipeline assets. For the PepMetrics Peptidomimetic Discovery Platform, we will integrate AI-assisted molecular design, optimize synthetic pathways and molecular properties, establish high-throughput screening systems, explore cross-platform integration, and advance relevant candidates toward clinical development and licensing opportunities.

— Approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]**, is expected to be used for purposes other than the R&D of our drug candidates.

• Approximately **[REDACTED]**% of the **[REDACTED]**, or approximately HK$**[REDACTED]**, will be used for potential strategic acquisitions, investments or collaborations which are in line with our growth strategies.

Selection criteria for target companies. We target four categories of enterprises consistent with our core anti-infection and antimicrobial strategy: biotech firms with complementary intellectual properties relating to antimicrobial peptides, peptide drugs, PROTAC and formulation delivery; preclinical/clinical-stage companies developing differentiated anti-infective, metabolic, oncology or autoimmune drug candidates; API, formulation and CRO/CDMO service providers supporting our R&D and production chain; and entities with global clinical, registration and commercialization channels.

Geographically, target companies are mainly located in key biotech clusters in Mainland China, the US and Europe, and other regions with relevant clinical and industrial resources. All targets will be confined to our four core therapeutic areas, with priority given to anti-infective assets that are synergistic with PL-5, PL-3301 and PL-18.

Planned stake acquisition approach for target companies. Non-equity, asset-light cooperation including technology licensing, joint development, clinical collaboration and manufacturing outsourcing will be our primary approach. Minority strategic equity investment without control may be adopted for deeper technical collaborations to secure priority pipeline cooperation rights and mitigate early-stage R&D risks. Majority or controlling acquisitions will only be pursued for targets with distinctive core technology, strong pipeline synergy and demonstrated clinical value, subject to rigorous internal assessment and board approval.

Alignment with our antimicrobial and anti-infection strategic objectives. All proposed transactions are intended to support our core anti-infection business. They may facilitate the clinical development of our key anti-infection drug candidates, including PL-5, by providing access to complementary drug candidates, clinical data and overseas clinical trial resources; support the continued development of our antimicrobial peptide technologies and expand our portfolio of pre-clinical anti-infective assets, including those targeting drug-resistant infections; enhance our supply capabilities through investments in API and formulation manufacturing capacity to support commercial-stage anti-infection products; and strengthen our regulatory registration and commercialization capabilities in overseas markets.

Status of potential acquisitions, investments and collaborations as of the Latest Practicable Date. We had been actively identifying potential targets among relevant market participants. According to Frost & Sullivan, there are suitable potential acquisition and investment targets in China and overseas markets that satisfy the above

selection criteria. We have not identified any targets as of the Latest Practicable Date. We intend to pursue such activities prudently, taking into account our business development, market opportunities and capital position.

- Approximately **[REDACTED]**% of the **[REDACTED]**, or approximately HK$**[REDACTED]**, will be allocated to product commercialization and marketing network development, including the building of an in-house sales and marketing team, as well as participation in academic forums and hosting academic conferences.

  Over the next five years, we plan to gradually build up our nationwide sales and marketing workforce, with the pace of our recruitment and regional staffing arrangements subject to the actual progress of our product commercialization and promotion in due course. The team will primarily focus on non-PL-5 pipeline assets, as the commercialization of PL-5 in China will be exclusively handled by Chia Tai Tianqing. Our planned hiring will cover a full scope of commercial functions, including sales representatives, sales management, marketing, medical affairs, market access, commercial teams, supporting functions and distributor recruitment personnel. We plan to recruit a total of approximately 400 sales and marketing personnel from 2026 to 2030, primarily based in China, including Jiangsu, Zhejiang, Anhui, Shanghai, Guangdong. The candidates we intend to recruit are generally expected to hold a bachelor's degree and possess more than three years of relevant experience in sales and marketing. The average annual remuneration per employee is expected to range from RMB250,000 to RMB400,000, subject to potential adjustment in line with the market rate from time to time.

  Over the next five years, we will progressively roll out a comprehensive suite of academic promotion and commercial marketing activities in line with our product commercialization. Such activities will cover expert advisory meetings, participation in national and provincial third-party academic forums across clinical, pharmaceutical and pharmacoeconomic disciplines, in-house organized national and regional academic conferences and product launch events, media publications, development of medical education materials, market research, pharmacoeconomic studies, as well as the development and ongoing maintenance of our distributor and sales management systems.

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

In the event that the **[REDACTED]** is set at the maximum **[REDACTED]** or the minimum **[REDACTED]** of the indicative **[REDACTED]** range, the **[REDACTED]** of the **[REDACTED]** will increase or decrease by approximately HK$**[REDACTED]**, respectively.

The additional **[REDACTED]** that we would receive if the **[REDACTED]** is exercised in full would be (i) HK$**[REDACTED]** (assuming an **[REDACTED]** of HK$**[REDACTED]** per H Share, being the maximum **[REDACTED]**), (ii) HK$**[REDACTED]** (assuming an **[REDACTED]** of HK$**[REDACTED]**]] per H Share, being the mid-point of the **[REDACTED]** range) and (iii) HK$**[REDACTED]** (assuming an **[REDACTED]** of HK$**[REDACTED]** per H Share, being the minimum **[REDACTED]**).

To the extent that the **[REDACTED]** from the **[REDACTED]** (including the **[REDACTED]** from the exercise of the **[REDACTED]**) are either more or less than expected, we may adjust our allocation of the **[REDACTED]** for the above purposes on a pro rata basis.

To the extent that the **[REDACTED]** of the **[REDACTED]** are not immediately used for the above purposes, we will only 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 the applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

[REDACTED]

[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]

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]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

[To insert the firm's letterhead]

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF PROTELIGHT PHARMACEUTICALS (JIANGSU) CO., LTD. AND [CITIC SECURITIES (HONG KONG) LIMITED]

Introduction

We report on the historical financial information of ProteLight Pharmaceuticals (Jiangsu) Co., Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-3 to I-[•], 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-[•] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [Date] (the "**Document**") in connection with the **[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* as 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 and presentation 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 as 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 [•] 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
[•]

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 as 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

		Year ended 31 December		Six months ended 30 June	
	Notes	**2024**	**2025**	**2025**	**2026**
		RMB'000	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Revenue	*5*	5,194	3,332	1,428	2,192
Cost of sales		(3,020)	(2,024)	(840)	(1,142)
Gross profit		2,174	1,308	588	1,050
Other income and gains	*6*	11,627	14,193	2,135	3,047
Research and development expenses		(80,725)	(57,215)	(25,713)	(24,412)
Administrative expenses		(26,253)	(32,126)	(10,863)	(21,448)
Selling and distribution expenses		(5,876)	(4,607)	(2,799)	(2,540)
Finance costs	*8*	(58,432)	(62,463)	(29,307)	(40,135)
Impairment loss on financial assets, net		(297)	(510)	(341)	(784)
Other expenses	*6*	(555)	(144)	(13)	(18)
LOSS BEFORE TAX	*7*	(158,337)	(141,564)	(66,313)	(85,240)
Income tax expenses	*11*	—	—	—	—
LOSS FOR THE YEAR/PERIOD		(158,337)	(141,564)	(66,313)	(85,240)
Attributable to:					
Owners of the parent		(158,337)	(141,564)	(66,313)	(85,240)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*13*				
Basic and diluted *(RMB)*		(3.38)	(2.98)	(1.41)	(1.65)
LOSS FOR THE YEAR/PERIOD		(158,337)	(141,564)	(66,313)	(85,240)
OTHER COMPREHENSIVE (LOSS)/INCOME					
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations		(18)	(29)	97	(36)
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR/PERIOD, NET OF TAX		(18)	(29)	97	(36)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR/PERIOD		(158,355)	(141,593)	(66,216)	(85,276)
Attributable to:					
Owners of the parent		(158,355)	(141,593)	(66,216)	(85,276)

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*	113,466	107,330	104,433
Right-of-use assets	*15*	24,194	21,843	38,245
Intangible assets	*16*	67	429	560
Prepayments, other receivables and other assets	*20*	9,448	13,206	14,562
Time deposits	*22*	31,125	—	—
Total non-current assets		178,300	142,808	157,800
CURRENT ASSETS				
Inventories	*18*	5,965	4,101	4,709
Trade and bill receivables	*19*	2,466	1,608	1,629
Prepayments, other receivables and other assets	*20*	4,484	7,631	7,265
Financial assets at fair value through profit or loss	*21*	10,048	147,555	42,037
Pledged deposits	*22*	—	160	3,192
Time deposits	*22*	—	31,996	32,437
Cash and cash equivalents	*22*	31,738	63,091	34,050
Total current assets		54,701	256,142	125,319
CURRENT LIABILITIES				
Trade and bills payables	*23*	11,294	6,663	10,677
Other payables and accruals	*24*	8,054	10,554	5,454
Interest-bearing bank borrowings	*25*	39,920	70,047	—
Redemption liabilities on equity interests	*27*	756,909	1,042,460	1,082,119
Deferred income		—	200	200
Lease liabilities	*15*	1,557	1,121	1,030
Total current liabilities		817,734	1,131,045	1,099,480
NET CURRENT LIABILITIES		(763,033)	(874,903)	(974,161)
TOTAL ASSETS LESS CURRENT LIABILITIES		(584,733)	(732,095)	(816,361)
NON-CURRENT LIABILITIES				
Deferred income		—	1,517	1,417
Lease liabilities	*15*	3,166	1,603	1,081
Total non-current liabilities		3,166	3,120	2,498
Net liabilities		(587,899)	(735,215)	(818,859)
DEFICITS				
Deficits attributable to owners of the parent				
Paid-in capital/Share capital	*28*	46,905	51,534	51,534
Deficits	*29*	(634,804)	(786,749)	(870,393)
Total deficits		(587,899)	(735,215)	(818,859)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2024

	Paid-in capital	Capital reserve*	Share-based payment reserve*	Other reserve*	Exchange fluctuation reserve*	Accumulated losses*	Total deficits
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	46,905	569,667	10,108	(557,287)	—	(503,264)	(433,871)
Loss for the year	—	—	—	—	—	(158,337)	(158,337)
Other comprehensive loss for the year							
Exchange differences on translation of foreign operations	—	—	—	—	(18)	—	(18)
Total comprehensive loss for the year	—	—	—	—	(18)	(158,337)	(158,355)
Equity-settled share-based payment *(note 30)*	—	—	4,327	—	—	—	4,327
At 31 December 2024	46,905	569,667	14,435	(557,287)	(18)	(661,601)	(587,899)

Year ended 31 December 2025

	Paid-in capital	Capital reserve*	Share-based payment reserve*	Other reserve*	Exchange fluctuation reserve*	Accumulated losses*	Total deficits
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	46,905	569,667	14,435	(557,287)	(18)	(661,601)	(587,899)
Loss for the year	—	—	—	—	—	(141,564)	(141,564)
Other comprehensive loss for the year							
Exchange differences on translation of foreign operations	—	—	—	—	(29)	—	(29)
Total comprehensive loss for the year	—	—	—	—	(29)	(141,564)	(141,593)
Capital injection from shareholders	4,629	220,371	—	—	—	—	225,000
Share issue expenses	—	(9,361)	—	—	—	—	(9,361)
Redemption liabilities on equity interests *(note 27)*	—	—	—	(225,000)	—	—	(225,000)
Equity-settled share-based payment *(note 30)*	—	—	3,638	—	—	—	3,638
At 31 December 2025	51,534	780,677	18,073	(782,287)	(47)	(803,165)	(735,215)

Six months ended 30 June 2025 (unaudited)

	Paid-in capital	Capital reserve	Share-based payment reserve	Other reserve	Exchange fluctuation reserve	Accumulated losses	Total deficits
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	46,905	569,667	14,435	(557,287)	(18)	(661,601)	(587,899)
Loss for the period (unaudited)	—	—	—	—	—	(66,313)	(66,313)
Other comprehensive income for the period (unaudited)							
Exchange differences on translation of foreign operations (unaudited)	—	—	—	—	97	—	97
Total comprehensive loss for the period (unaudited)	—	—	—	—	97	(66,313)	(66,216)
Equity-settled share-based payment *(note 30)* (unaudited)	—	—	2,387	—	—	—	2,387
At 30 June 2025 (unaudited)	46,905	569,667	16,822	(557,287)	79	(727,914)	(651,728)

Six months ended 30 June 2026

	Paid-in capital/Share capital	Capital reserve/Share premium*	Share-based payment reserve*	Other reserve*	Exchange fluctuation reserve*	Accumulated losses*	Total deficits
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2026	51,534	780,677	18,073	(782,287)	(47)	(803,165)	(735,215)
Loss for the period	—	—	—	—	—	(85,240)	(85,240)
Other comprehensive loss for the period							
Exchange differences on translation of foreign operations	—	—	—	—	(36)	—	(36)
Total comprehensive loss for the period	—	—	—	—	(36)	(85,240)	(85,276)
Equity-settled share-based payment *(note 30)*	—	—	1,632	—	—	—	1,632
At 30 June 2026	51,534	780,677	19,705	(782,287)	(83)	(888,405)	(818,859)

* These deficit accounts comprise the consolidated deficits of RMB634,804,000, RMB786,749,000 and RMB870,393,000 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		(158,337)	(141,564)	(66,313)	(85,240)
Adjustments for:					
Finance costs	*8*	58,432	62,463	29,307	40,135
Foreign exchange differences, net	*6*	421	(142)	(13)	(33)
Interest income	*6*	(1,141)	(989)	(460)	(654)
Gains on lease early termination	*6*	—	(53)	—	—
Fair value gains on financial assets at fair value through profit or loss (**"FVTPL"**)	*6*	(1,252)	(301)	(40)	(672)
Equity-settled share-based payment	*30*	4,327	3,638	2,387	1,632
Depreciation of property, plant and equipment	*14*	6,666	6,981	3,520	3,490
Depreciation of right-of-use assets	*15*	1,822	1,762	911	963
Amortisation of intangible assets	*16*	66	52	22	55
Amortisation of deferred income		—	—	—	(100)
Decrease/(increase) in inventories		238	1,864	567	(608)
Decrease/(increase) in trade receivables		26	858	822	(21)
(Increase)/decrease in prepayments, other receivables and other assets		(17)	(7,045)	(513)	931
(Decrease)/increase in trade and bills payables		(5,432)	(4,631)	(975)	4,014
Increase/(decrease) in other payables and accruals		1,301	2,537	(5,822)	(3,364)
Increase in deferred income		—	1,717	—	—
Placement of pledged deposits		—	(160)	—	(1,347)
Net cash flows used in operating activities		(92,880)	(73,013)	(36,600)	(40,819)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of intangible assets		—	(414)	—	(186)
Purchase of property, plant and equipment		(12,373)	(1,003)	(104)	(593)
Purchase of land use right		—	—	—	(17,365)
Purchase of financial assets at FVTPL		—	(373,500)	(35,000)	(224,000)
Redemption of financial assets at FVTPL		76,360	236,246	45,088	330,190
Placement of pledged deposits		—	—	—	(1,685)
Net cash flows from investing activities		63,987	(138,671)	9,984	86,361
CASH FLOWS FROM FINANCING ACTIVITIES					
Capital injection from shareholders		—	225,000	—	—
Share issue expenses		—	(9,361)	—	—
New bank borrowings		39,890	69,990	40,000	10,000
Repayment of bank borrowings		—	(39,890)	(19,990)	(80,047)
Interest paid		(526)	(1,736)	(707)	(421)
Payment for **[REDACTED]** expense		**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Payment for lease liabilities		(1,407)	(1,506)	(852)	(668)
Net cash flows from/(used in) financing activities		37,957	242,497	18,451	(74,766)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		9,064	30,813	(8,165)	(29,224)
Cash and cash equivalents at the beginning of year/period		23,114	31,738	31,738	63,091
Effect of foreign exchange rate changes, net		(440)	540	36	183
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	*22*	31,738	63,091	23,609	34,050

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*	106,841	102,121	99,596
Right-of-use assets	*15*	19,161	18,707	18,480
Intangible assets	*16*	67	429	517
Investments in subsidiaries	*17*	48,819	168,919	168,938
Prepayments, deposits and other receivables	*20*	8,847	12,912	14,444
Time deposits	*22*	31,125	—	—
Total non-current assets		214,860	303,088	301,975
CURRENT ASSETS				
Inventories	*18*	3,061	1,582	2,189
Trade and bill receivables	*19*	511	—	—
Prepayments, other receivables and other assets	*20*	22,952	32,445	35,182
Financial assets at fair value through profit or loss	*21*	10,048	97,553	42,037
Pledged deposits	*22*	—	160	1,507
Time deposits	*22*	—	31,996	32,437
Cash and cash equivalents	*22*	27,539	18,085	20,076
Total current assets		64,111	181,821	133,428
CURRENT LIABILITIES				
Trade and bills payables	*23*	17,662	19,383	15,260
Other payables and accruals	*24*	5,819	47,349	111,745
Interest-bearing bank borrowings	*25*	39,920	70,047	—
Redemption liabilities on equity interest	*27*	756,909	1,042,460	1,082,119
Deferred income		—	200	200
Total current liabilities		820,310	1,179,439	1,209,324
NET CURRENT LIABILITIES		(756,199)	(997,618)	(1,075,896)
TOTAL ASSETS LESS CURRENT LIABILITIES		(541,339)	(694,530)	(773,921)
NON-CURRENT LIABILITIES				
Deferred income		—	1,517	1,417
Total non-current liabilities		—	1,517	1,417
Net liabilities		(541,339)	(696,047)	(775,338)
DEFICITS				
Paid-in capital/Share capital	*28*	46,905	51,534	51,534
Deficits	*29*	(588,244)	(747,581)	(826,872)
Total deficits		(541,339)	(696,047)	(775,338)

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

ProteLight Pharmaceuticals (Jiangsu) Co., Ltd. (the "**Company**") was a limited company registered in the People's Republic of China (the "**PRC**") on 8 April 2009. The registered office address of the Company is No. 1, Anquan Road, Chengdong Sub-district, Jiangyin High-tech Industrial Development Zone, Jiangyin, Jiangsu, the PRC. The Company was converted into to a joint stock company on 29 January 2026.

During the Relevant Periods, the Company and its subsidiaries were principally engaged in the research and development, manufacture and sale of pharmaceutical products.

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies. The subsidiaries are as follows:

Name	Place and date of registration/incorporation and place of operations	Issued ordinary share/registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Changchun ProteLight Pharmaceutical & Biotechnology Co., Ltd.* (長春普萊醫藥生物技術有限公司) *(note a)*	PRC/Chinese mainland 27 September 2006	RMB9,400,000	100.00%	—	Research and development of pharmaceutical products
Jiangsu Putai Pharmaceutical Technology Co., Ltd.* (江蘇普肽醫藥技術有限公司) *(note a)*	PRC/Chinese mainland 14 July 2020	RMB10,000,000	100.00%	—	Production and sale of daily-care products
Nanjing Denovo Pharmaceutical Technology Co., Ltd.* (南京蒂諾維醫藥科技有限公司) *(note a)*	PRC/Chinese mainland 26 May 2020	RMB10,000,000	100.00%	—	Research and development of pharmaceutical products
Wuxi Ruiyi Pharmaceutical Co., Ltd.* (無錫銳益醫藥有限公司) *(note b)*	PRC/Chinese mainland 3 August 2020	RMB1,000,000	—	100.00%	Sale of daily-care products
ProteLight Medicine Holdings (Hong Kong) Co., Limited. (普萊醫學控股(香港)有限公司) *(note b)*	Hong Kong 10 February 2021	Hong Kong dollar ("**HKD**") 36,000,000	100.00%	—	Investing holding
ProteLight Pharmaceuticals (Australia) Pty Ltd. *(note b)*	Australia 5 July 2021	Australian Dollar ("**AUD**") 6,000,000	—	100.00%	Research and development of pharmaceutical products
Hangzhou Fuertai Biotechnology Co., Ltd.* (杭州孚爾泰生物科技有限公司) *(note b)*	PRC/Chinese mainland 25 November 2024	RMB500,000	—	100.00%	Sale of daily-care products
UltraPep Biopharma (Zhejiang) Co., Ltd. * (臻泰生物製藥(浙江)有限公司) *(note b)*	PRC/Chinese mainland 15 October 2025	RMB130,000,000	100.00%	—	Production and research and development of pharmaceutical products

Notes:

(a) The statutory financial statements of these entities for the years ended 31 December 2024 and 2025 prepared in accordance with PRC Generally Accepted Accounting Principles were audited by Wuxi Dehengfang Certified Public Accountants Co., Ltd.

(b) No audited statutory financial statements have been prepared for these entities since their incorporation/registration.

* The English names of the companies registered in the PRC referred to above in this note represent management's best effort in translating the Chinese names of those companies as no English names have been registered or are available.

2.1 BASIS OF PREPARATION

The Historical Financial Information have 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 consistently applied 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 certain investments in financial products which have been measured at fair value through profit or loss. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

The Group incurred losses continually during the Relevant Periods and the six months ended 30 June 2025 due to the pre-revenue stage of its new drug research and development businesses. The Group recorded net current liabilities of RMB974,161,000 and net liabilities of RMB818,859,000 as at 30 June 2026, primarily due to the significant amount of the redemption liabilities on equity interests of RMB1,082,119,000 arising from the financing with redemption features from pre-**[REDACTED]** investors. The redemption liabilities on equity interests will not result in future cash payments within the next twelve months from 30 June 2026 because as set out in the paragraph headed "Special rights granted to the Pre-**[REDACTED]** Investors" in the document, pursuant to a supplemental agreement entered into by the Company, the redemption features ceased to be exercisable on the date immediately prior to the first submission of the **[REDACTED]** application to the Stock Exchange until the earlier of the following events: (i) the failure to obtain the **[REDACTED]** approval within 24 months after the first submission of the **[REDACTED]** application by the Company to the Stock Exchange; (ii) the rejection or return of the **[REDACTED]** application by the Stock Exchange or relevant regulatory authorities; (iii) the withdrawal of the **[REDACTED]** application; or (iv) the failure to consummate the **[REDACTED]** within the validity period of the **[REDACTED]** approval granted by the Stock Exchange. In this regard, the directors of the Company are of the opinion that the redemption liabilities on equity interests are not expected to be settled within the next twelve months from 30 June 2026.

The directors of the Company further assessed whether the Group has sufficient working capital to meet its present obligations, taking into account the financial resources available to the Group.

The Company has prudently prepared a backbone budget plan to advance all necessary Research & Development activities for its core products assuming the Company is unable to raise **[REDACTED]** from the **[REDACTED]**. Based on the rigorous review of the budget under the backbone scenario, the directors of the Company are satisfied that the Group would 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.

Based on the above factors, as well as the Group's historical performance and management's operating and financing plans, the directors of the Company concluded that it is appropriate to prepare the Historical Financial Information on a going concern basis, which contemplates the realisation of assets and settlement of liabilities in the normal course of business.

Basis of consolidation

The Historical Financial Information includes the financial statements of the Company and its subsidiaries for the Relevant Periods. A subsidiary is an 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 ACCOUTING STANDARDS

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. 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]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to HKAS 21	*Translation to a Hyperinflationary Presentation Currrency*[1]
HKFRS 20	*Regulatory Assets and Regulatory Liabilities*[2]

[1] Effective for annual/reporting periods beginning on or after 1 January 2027
[2] Effective for annual/reporting periods beginning on or after 1 January 2029
[3] No mandatory effective date yet determined but available for adoption

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

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 and other comprehensive income, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss and other comprehensive income 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 a material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and other comprehensive income and statement of cash flows and additional disclosure will be included in the financial statements. Except for HKFRS 18, the directors of the Company anticipate that the application of these new and amended HKFRS Accounting Standards will have no material impact on the Group's financial performance and financial position in the foreseeable future.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

Fair value measurement

The Group measures its wealth management products at fair value at the end of each reporting period. 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 financial statements 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 financial statements 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 (other than inventories, deferred tax assets and financial assets), 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.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

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:

Category	Estimated useful lives
Buildings	30 years
Machinery and equipment	3 to 10 years
Motor vehicles	5 years
Office equipment	3 to 5 years
Leasehold improvements	Over the shorter of the estimated useful life of the assets and lease terms

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 (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be finite. 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 asset 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.

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 3 years to 10 years.

Research and development costs

All research costs are charged to profit or 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:

Buildings	5 to 8 years
Leasehold lands	50 years

(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. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

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 buildings and machinery (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).

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 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, 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 measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss 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 statements 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 except for trade receivables which apply the simplified approach as detailed below.

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

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost, 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 bills payables, other payables and accruals, and interest-bearing bank borrowings and redemption liabilities on equity interests.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost

After initial recognition, trade and other payables, interest-bearing bank borrowings and redemption liabilities on equity interests 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.

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.

Redemption liabilities on equity interests

For the redemption liabilities on equity interests issued by the Company as detailed in note 27, financial liabilities are measured at amortised cost and are initially recognised at the present value of the redemption amount with a corresponding amount debited to equity. Changes in the amortised cost during the Relevant Periods and the six months ended 30 June 2025 were recognised in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statements 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 statements of cash flows, cash and cash equivalents comprise cash on hand and at banks.

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 goodwill or 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 carryforward 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 carryforward 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.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released profit or loss by way of a reduced depreciation charge.

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.

Sale of products

Revenue from the sale of goods is recognised at the point in time when control of the assets is transferred to the customer, generally on receipt of the goods by the customer or upon the confirmation by the customer. For consignment sales, the consignment sales partners obtain goods from the Group at the same time as they complete the sales transaction with end-customers. Revenue is recognised upon sales to end-consumers by consignment sales partners.

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.

Share-based payments

The Company operates a restricted share incentive plan ("**Employee Incentive Scheme**"). Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange 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, further details of which are given in note 30.

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's subsidiaries which operate in the Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. The 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.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Foreign currencies

The Historical Financial Information is presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that is measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the

fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve.

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 non-adjustin the disclosures that relate to those conditions in light of the new information. For events after the reporting period, the Group will not change the amounts recognised in its financial statement, 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.

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 Historical Financial Information:

Research and development costs

All research costs are charged to profit or loss as incurred. Expenses incurred on each pipeline to develop new products are only capitalised and deferred in accordance with the accounting policy for research and development expenses as set out in note 2.3. Determining the amounts to be capitalised requires management to make judgements on the technical feasibility of existing pipelines being successfully commercialised and bringing economic benefits to the Group.

Deferred tax assets

Deferred tax assets are recognised in respect of deductible temporary differences and unused tax losses to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and the losses can be utilised. Significant management judgement is required to assess the probability of future taxable profits. Management's assessment is revised as necessary and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax assets to be recovered.

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.

Share-based payment

The Group estimates the number of shares when determining the share-based payment expenses, which depends on the achievement of certain non-market performance targets of the Group under the Employee Incentive Scheme. This requires an estimation of the performance targets to be achieved by the Group, including completion of **[REDACTED]**. The fair value of the restricted shares granted to employees was determined on the grant date using the equity value allocation method.

Useful lives and depreciation methods of property, plant and equipment

Based on a comprehensive assessment of various factors, the Group has determined the period over which property, plant and equipment can generate economic benefits for the Group. At the end of the reporting period, the Group reviews the useful lives and depreciation methods of property, plant and equipment. If the useful lives, depreciation methods of property, plant and equipment are different from previous estimates, the depreciation period and method are adjusted accordingly.

Impairment of non-financial assets (other than goodwill)

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than financial assets), 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.

Notwithstanding that the Group recorded a losses for the years ended 31 December 2024 and 2025 and the six months ended 30 June 2026, no indicators of the impairment of non-financial assets were identified as of 31 December 2024 and 2025 and 30 June 2026, since (i) the assets' value has not declined significantly; (ii) the assets are not obsolete or physically damaged; and (iii) the progress of the Research and development costs remains in line with expectations.

4. OPERATING SEGMENT INFORMATION

Operating segment information

The Group is engaged in the research and development of antimicrobial peptides research and development, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for purposes of resource allocation and performance assessment. Therefore, no further operating segment analysis thereof is presented.

Geographical information

During the Relevant Periods and the six months ended 30 June 2025, the Group's revenue was derived from the customers located in the Chinese mainland and all of the Group's non-current assets were located in the Chinese mainland; therefore, no geographical segment information in accordance with HKFRS 8 *Operating Segments* is presented.

Information about major customers

Revenue derived from sales to customers that individually amounted to more than 10% of the Group's revenue 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*
Customer A	597	*	*	*
Customer B	588	*	*	*
Customer C	*	449	372	236
Total	1,185	449	372	236

* The corresponding revenue did not account for more than 10% of the total revenue of the Group during that particular year/period.

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	5,194	3,332	1,428	2,192

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Types of goods				
Sale of daily-care products	5,194	3,332	1,428	2,192
Geographical market				
Chinese mainland	5,194	3,332	1,428	2,192
Timing of revenue Recognition				
At a point in time	5,194	3,332	1,428	2,192

All the revenue from contracts with customers is derived from external customers.

(b) Performance obligation

Information about the Group's performance obligation is summarised below:

Sale of daily-care products

The performance obligation is satisfied upon delivery of the daily-care products and payment is generally due 30 to 60 days after delivery.

For the above contracts with customers, they are rendered over a short period of time, generally less than one year, and the Group has elected the practical expedient not to disclose the remaining performance obligations for these types of contracts.

6. OTHER INCOME AND GAINS AND OTHER EXPENSES

	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*	9,185	12,558	1,564	1,579
Interest income	1,141	989	460	654
Others	49	150	58	109
	10,375	13,697	2,082	2,342
Gains				
Gain on financial assets as FVTPL	1,252	301	40	672
Foreign exchange differences, net	—	142	13	33
Others	—	53	—	—
	1,252	496	53	705
Total other income and gains	11,627	14,193	2,135	3,047

* The Group received certain government grants to support the operating activities of certain subsidiaries.

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Other expenses				
Foreign exchange losses, net	421	—	—	—
Others	134	144	13	18
Total	555	144	13	18

7. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Notes	Year ended 31 December		Six months ended 30 June	
		2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Cost of inventories sold		3,020	2,024	840	1,142
Depreciation of property, plant and equipment	*14*	6,666	6,981	3,520	3,490
Depreciation of right-of-use assets	*15*	1,822	1,762	911	963
Amortisation of intangible assets	*16*	66	52	22	55
Research and development expenses		80,725	57,215	25,713	24,412
Government grants	*6*	9,185	12,558	1,564	1,579
Lease payments not included in the measurement of lease liabilities	*15*	615	729	359	323
Interest on lease liabilities	*15*	241	149	99	55
[REDACTED] expense		**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Employee benefit expense (excluding director and supervisors' remuneration *(note 9)*):					
Salaries, bonuses, allowances and benefits in kind		24,204	24,195	12,826	10,494
Equity-settled share-based payments		4,119	3,410	2,283	742
Pension scheme contributions		4,834	4,693	2,744	2,422
Subtotal		33,157	32,298	17,853	13,658
Gain on financial assets measured at FVTPL, net		(1,252)	(301)	(40)	(672)
Interest income		(1,141)	(989)	(460)	(654)

	Notes	Year ended 31 December		Six months ended 30 June	
		2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Interest on redemption liabilities on equity interests		57,635	60,551	28,503	39,659
Foreign exchange differences, net		421	(142)	(13)	(33)

Cost of inventories sold and research and development costs include expenses relating to depreciation of property, plant and equipment, depreciation of right-of-use assets and employee benefit expense, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

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 redemption liabilities on equity interests	57,635	60,551	28,503	39,659
Interest on bank borrowings	556	1,763	705	421
Interest on lease liabilities	241	149	99	55
Total	58,432	62,463	29,307	40,135

9. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION

Directors', chief executive's and supervisors' remuneration for the Relevant Periods and the six months ended 30 June 2025, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, 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 emoluments:				
Salaries, bonuses, allowances and benefits in kind	2,367	3,165	1,208	2,402
Pension scheme contributions and social welfare	165	165	82	224
Equity-settled share-based payment	208	228	104	890
Total	2,740	3,558	1,394	3,516

(a) Independent non-executive directors

Dr. SHI Wei, Mr. QIAN Junfeng, and Dr. XU Aimin were appointed as directors on 25 December 2025.

The fees paid to independent non-executive directors during the Relevant Periods and the six months ended 30 June 2025 were as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Dr. SHI Wei	—	—	—	75
Mr. QIAN Junfeng	—	—	—	50
Dr. XU Aimin	—	—	—	50
Total	—	—	—	175

(b) Executive directors, supervisors and the chief executive

	Salaries, bonuses, allowances and benefits in kind	Pension scheme contributions and social welfare	Equity-settled share-based payment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2024				
Chief executive and executive director:				
Mr. CHEN YUXIN	1,953	74	—	2,027
Supervisors:				
Ms. FANG Xiaoting *(note (i))*	229	51	113	393
Mr. LI Junchao *(note (i))*	185	40	95	320
Subtotal	414	91	208	713
Total	2,367	165	208	2,740

	Salaries, bonuses, allowances and benefits in kind	Pension scheme contributions and social welfare	Equity-settled share-based payment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2025				
Chief executive and executive director:				
Mr. CHEN YUXIN	2,700	74	—	2,774
Executive directors:.				
Mr. ZHANG Wendong *(note (ii))*	—	—	—	—
Mr. ZHOU Peng *(note (ii))*	—	—	—	—
Ms. CHEN Mingxia *(note (ii))*	—	—	—	—
Mr. FENG Shangbin *(note (ii))*	—	—	—	—
Mr. DONG Hu *(note (ii))*	—	—	—	—
Subtotal	—	—	—	—
Supervisors:				
Ms. FANG Xiaoting *(note (i))*	280	51	113	444
Mr. LI Junchao *(note (i))*	185	40	115	340
Subtotal	465	91	228	784
Total	3,165	165	228	3,558

	Salaries, bonuses, allowances and benefits in kind	Pension scheme contributions and social welfare	Equity-settled share-based payment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Six months ended 30 June 2025 (unaudited)				
Chief executive and executive director:				
Mr. CHEN YUXIN	977	37	—	1,014
Supervisors:				
Ms. FANG Xiaoting *(note (i))*	138	25	56	219
Mr. LI Junchao *(note (i))*	93	20	48	161
Subtotal	231	45	104	380
Total (unaudited)	1,208	82	104	1,394

	Salaries, bonuses, allowances and benefits in kind	Pension scheme contributions and social welfare	Equity-settled share-based payment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Six months ended 30 June 2026				
Chief executive and executive director:				
Mr. CHEN YUXIN	1,037	37	—	1,074
Executive directors:				
Mr. ZHANG Wendong *(note (ii))*	248	37	150	435
Mr. ZHOU Peng *(note (ii))*	264	37	120	421
Ms. CHEN Mingxia *(note (ii))*	370	37	429	836
Mr. FENG Shangbin *(note (ii))*	232	37	110	379
Mr. DONG Hu *(note (ii))*	204	31	60	295
Subtotal	1,318	179	869	2,366
Supervisors:				
Ms. FANG Xiaoting *(note (i))*	19	3	9	31
Mr. LI Junchao *(note (i))*	28	5	12	45
Subtotal	47	8	21	76
Total	2,402	224	890	3,516

Notes:

(i) Ms. FANG Xiaoting and Mr. LI Junchao were appointed as supervisors of the Company in January 2023. Ms. FANG Xiaoting and Mr. LI Junchao resigned as supervisors of the Company in January 2026, but have remained in the employment of the Company in other capacities.

(ii) Mr. ZHANG Wendong, Mr. ZHOU Peng, Ms. CHEN Mingxia, Mr. FENG Shangbin and Mr. DONG Hu were appointed as directors on 25 December 2025 and the remuneration received by them from the date of appointment until the end of 2025 was immaterial.

During the Relevant Periods and the six months ended 30 June 2025, certain directors and supervisors were granted share awards, in respect of their services to the Group, under the share incentive plan of the Company, further details of which are set out in note 30. The fair values of such share awards, which have been recognised in profit or loss over the vesting periods, were determined as at the dates of grant and the amounts included in the Historical Financial Information for the Relevant Periods and the six months ended 30 June 2025 are included in the above directors', supervisors' and chief executive's remuneration disclosures.

There was no arrangement under which a director, supervisor or the chief executive 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 year ended 2024 and 2025 and the six months ended 30 June 2025 and 2026 included one director, one director, one director and two directors, respectively, details of whose remuneration are set out in note 9 above. Details of the remuneration of the remaining four, four, four and three highest paid employees who are neither a director nor chief executive of the Company 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, bonuses and allowances	3,724	3,589	1,816	1,247
Pension scheme contributions and social welfare	424	431	213	111
Equity-settled share-based payment	1,596	1,559	787	170
Total	5,744	5,579	2,816	1,528

The numbers of non-director and non-chief executive 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
			(Unaudited)	
Nil to HKD1,000,000	—	1	4	3
HKD1,000,001 to HKD1,500,000	2	1	—	—
HKD1,500,001 to HKD2,000,000	1	1	—	—
HKD2,000,001 to HKD2,500,000	1	1	—	—
Total	4	4	4	3

During the Relevant Periods and the six months ended 30 June 2025, certain non-director and non-chief executive highest paid employees were granted share awards, in respect of their services to the Group, under the share incentive plan of the Group, further details of which are set out in note 30. The fair value of such share awards, which has been recognised in profit or loss over the vesting periods, was determined as at the dates of grant and the amounts included in the Historical Financial Information for the Relevant Periods and the six months ended 30 June 2025 are included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

11. INCOME TAX

Chinese mainland

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**"), the subsidiaries which operate in the Chinese mainland are subject to Enterprise Income Tax ("**EIT**") at a rate of 25% on the taxable income during the Relevant Periods and the six months ended 30 June 2025.

ProteLight Pharmaceuticals (Jiangsu) Co., Ltd. was accredited as a "High and New Technology Enterprise" under the relevant tax rules and regulations in 2023 and the qualification will expire in 2026. Accordingly, the Company was entitled to a reduced preferential EIT rate of 15% during the years ended 31 December 2024 and 2025 and the six months ended 30 June 2025.

Certain of the Group's PRC subsidiaries are qualified as Small and Low-Profit Enterprises. During the Relevant Periods and the six months ended 30 June 2025, Small and Low-Profit Enterprises were subject to the policy. For the portion of taxable income not exceeding RMB1,000,000, it was included in the taxable income at a reduced rate of 12.5% and income tax was levied at a tax rate of 20%. For the portion of taxable income exceeding RMB1,000,000 but not exceeding RMB3,000,000, it was included at a reduced rate of 25%, and income tax was levied at a tax rate of 20%.

Australia

The subsidiary incorporated in Australia is subject to income tax at the rate of 30% on the estimated assessable profits arising in Australia during the Relevant Periods and the six months ended 30 June 2025.

Hong Kong

The subsidiary incorporated in Hong Kong is subject to income tax under the two-tiered profits tax rates regime on the estimated assessable profits arising in Hong Kong during the Relevant Periods and the six months ended 30 June 2025. The first HKD 2.0 million of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Current income tax	—	—	—	—
Deferred income tax	—	—	—	—
Total tax charge for the year/period	—	—	—	—

A reconciliation of the tax credit applicable to loss before tax at the statutory tax rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled and/or operate 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	(158,337)	(141,564)	(66,313)	(85,240)
Tax at the income tax rate of 25%	(39,584)	(35,391)	(16,578)	(21,310)
Effect of different tax rates of the lower tax rate enacted by local authority	16,533	14,854	6,926	497
Additional deductible allowance for qualified research and development expenses	(8,922)	(6,482)	(3,325)	(4,411)
Expenses not deductible for tax purposes	9,389	9,582	4,622	10,288
Tax losses utilised from previous periods	—	(554)	(116)	—
Tax losses and temporary differences not recognised	22,584	17,991	8,471	14,936
Tax charge at the Group's effective rate	—	—	—	—

The Group has accumulated tax losses in the Chinese mainland of RMB640,502,336, RMB760,092,000 and RMB821,462,000 as at 31 December 2024 and 2025 and 30 June 2026, respectively, which will expire in one to ten years for offsetting against future taxable profits of the companies in which the losses arose.

The Group has accumulated tax losses in Australia and Hong Kong of RMB15,646,460, RMB13,603,495 and RMB15,039,000 as at 31 December 2024 and 2025 and 30 June 2026, respectively, that can be carried forward indefinitely to offset against future taxable profits of the company in which the losses were incurred.

Deferred tax assets have not been recognised in respect of these losses as the Company and its subsidiaries have been loss-making for some time and it is not considered probable that taxable profits in 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 attributable to ordinary equity holders of the parent, and the weighted average numbers of ordinary shares outstanding during the Relevant Periods and the six months ended 30 June 2025, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

The weighted average numbers of ordinary shares outstanding during the Relevant Periods and the six months ended 30 June 2025 were determined assuming that the Company's conversion into a joint stock company, as disclosed in note 28, had taken place on 1 January 2024.

No adjustment was 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 redemption liabilities on equity interest and share-based payment had an anti-dilutive effect on the basic loss per share amounts presented.

The calculation of basic loss per share is based on:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
			(Unaudited)	
Loss				
Loss attributable to ordinary equity holders of the parent *(RMB'000)*	(158,337)	(141,564)	(66,313)	(85,240)
Shares				
Weighted average number of ordinary shares in issue during the year/period used in the basic loss per share calculation *(Shares'000)*	46,905	47,524	46,905	51,534
Loss per share (basic and diluted) *(RMB)*	(3.38)	(2.98)	(1.41)	(1.65)

14. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Machinery and equipment	Motor vehicles	Office equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2024						
At 1 January 2024:						
Cost	107,765	21,306	1,440	3,255	2,561	136,327
Accumulated depreciation	(15,185)	(8,501)	(960)	(2,741)	(1,290)	(28,677)
Net carrying amount	92,580	12,805	480	514	1,271	107,650
At 1 January 2024, net of accumulated depreciation	92,580	12,805	480	514	1,271	107,650
Additions	2,783	9,575	—	124	—	12,482
Depreciation provided during the year	(3,531)	(2,137)	(156)	(257)	(585)	(6,666)
At 31 December 2024, net of accumulated depreciation	91,832	20,243	324	381	686	113,466
As at 31 December 2024:						
Cost	110,548	30,881	1,440	3,379	2,561	148,809
Accumulated depreciation	(18,716)	(10,638)	(1,116)	(2,998)	(1,875)	(35,343)
Net carrying amount	91,832	20,243	324	381	686	113,466

	Buildings	Machinery and equipment	Motor vehicles	Office equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2025						
At 1 January 2025:						
Cost	110,548	30,881	1,440	3,379	2,561	148,809
Accumulated depreciation	(18,716)	(10,638)	(1,116)	(2,998)	(1,875)	(35,343)
Net carrying amount	91,832	20,243	324	381	686	113,466
At 1 January 2025, net of accumulated depreciation	91,832	20,243	324	381	686	113,466
Additions	—	1,018	—	88	—	1,106
Disposals	—	(256)	—	(5)	—	(261)
Depreciation provided during the year	(3,593)	(2,678)	(126)	(118)	(466)	(6,981)
At 31 December 2025, net of accumulated depreciation	88,239	18,327	198	346	220	107,330
As at 31 December 2025:						
Cost	110,548	31,475	1,440	3,390	2,561	149,414
Accumulated depreciation	(22,309)	(13,148)	(1,242)	(3,044)	(2,341)	(42,084)
Net carrying amount	88,239	18,327	198	346	220	107,330

	Buildings	Machinery and equipment	Motor vehicles	Office equipment	Leasehold improvements	Construction In process	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 30 June 2026							
At 1 January 2026:							
Cost	110,548	31,475	1,440	3,390	2,561	—	149,414
Accumulated depreciation	(22,309)	(13,148)	(1,242)	(3,044)	(2,341)	—	(42,084)
Net carrying amount	88,239	18,327	198	346	220	—	107,330
At 1 January 2026, net of accumulated depreciation	88,239	18,327	198	346	220	—	107,330
Additions	—	228	—	127	—	238	593
Depreciation provided during the period	(1,795)	(1,377)	(63)	(67)	(188)	—	(3,490)
At 30 June 2026, net of accumulated depreciation	86,444	17,178	135	406	32	238	104,433
As at 30 June 2026:							
Cost	110,548	31,703	1,440	3,517	2,561	238	150,007
Accumulated depreciation	(24,104)	(14,525)	(1,305)	(3,111)	(2,529)	—	(45,574)
Net carrying amount	86,444	17,178	135	406	32	238	104,433

As at 31 December 2024 and 2025 and 30 June 2026, the carrying amounts of the pledged property, plant and equipment were nil, RMB88,239,000 and nil, respectively, as set out in note 25.

The Company

	Buildings	Machinery and equipment	Motor vehicles	Office equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2024						
At 1 January 2024:						
Cost	107,765	11,142	1,440	2,851	982	124,180
Accumulated depreciation	(15,185)	(4,153)	(960)	(2,459)	(921)	(23,678)
Net carrying amount	92,580	6,989	480	392	61	100,502
At 1 January 2024, net of accumulated depreciation	92,580	6,989	480	392	61	100,502
Additions	2,783	8,753	—	86	—	11,622
Depreciation provided during the year	(3,531)	(1,328)	(156)	(207)	(61)	(5,283)
At 31 December 2024, net of accumulated depreciation	91,832	14,414	324	271	—	106,841
As at 31 December 2024:						
Cost	110,548	19,894	1,440	2,921	982	135,785
Accumulated depreciation	(18,716)	(5,480)	(1,116)	(2,650)	(982)	(28,944)
Net carrying amount	91,832	14,414	324	271	—	106,841

	Buildings	Machinery and equipment	Motor vehicles	Office equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2025						
At 1 January 2025:						
Cost	110,548	19,894	1,440	2,921	982	135,785
Accumulated depreciation	(18,716)	(5,480)	(1,116)	(2,650)	(982)	(28,944)
Net carrying amount	91,832	14,414	324	271	—	106,841
At 1 January 2025, net of accumulated depreciation	91,832	14,414	324	271	—	106,841
Additions	—	1,011	—	88	—	1,099
Disposals	—	(174)	—	(1)	—	(175)
Depreciation provided during the year	(3,593)	(1,859)	(126)	(66)	—	(5,644)
At 31 December 2025, net of accumulated depreciation	88,239	13,392	198	292	—	102,121
As at 31 December 2025:						
Cost	110,548	20,742	1,440	3,053	982	136,765
Accumulated depreciation	(22,309)	(7,350)	(1,242)	(2,761)	(982)	(34,644)
Net carrying amount	88,239	13,392	198	292	—	102,121

	Buildings	Machinery and equipment	Motor vehicles	Office equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 30 June 2026						
At 1 January 2026:						
Cost	110,548	20,742	1,440	3,053	982	136,765
Accumulated depreciation	(22,309)	(7,350)	(1,242)	(2,761)	(982)	(34,644)
Net carrying amount	88,239	13,392	198	292	—	102,121
At 1 January 2026, net of accumulated depreciation	88,239	13,392	198	292	—	102,121
Additions	—	228	—	127	—	355
Depreciation provided during the period	(1,795)	(971)	(63)	(51)	—	(2,880)
At 30 June 2026, net of accumulated depreciation	86,444	12,649	135	368	—	99,596
As at 30 June 2026:						
Cost	110,548	20,970	1,440	3,180	982	137,120
Accumulated depreciation	(24,104)	(8,321)	(1,305)	(2,812)	(982)	(37,524)
Net carrying amount	86,444	12,649	135	368	—	99,596

As at 31 December 2024 and 2025 and 30 June 2026, the carrying amounts of the pledged property, plant and equipment were nil, RMB88,239,000 and nil, respectively, as set out in note 25.

15. LEASES

The Group as a lessee

The Group has lease contracts for various buildings and land used in its operations. Lump sum payments were made upfront to acquire the leasehold land from the owners with lease periods of 50 years, and no ongoing payments will be made under the terms of this leasehold land. Leases of buildings generally have lease terms of 5 to 8 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group. Other rental agreements generally have lease terms of 12 months or less.

(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:

	Buildings	Leasehold land	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2024	6,402	19,614	26,016
Depreciation charge	(1,368)	(454)	(1,822)
As at 31 December 2024	5,034	19,160	24,194
As at 31 December 2024 and 1 January 2025	5,034	19,160	24,194
Termination of a lease term	(589)	—	(589)
Depreciation charge	(1,308)	(454)	(1,762)
As at 31 December 2025	3,137	18,706	21,843
As at 31 December 2025 and 1 January 2026	3,137	18,706	21,843
Addition	—	17,365	17,365
Depreciation charge	(562)	(401)	(963)
As at 30 June 2026	2,575	35,670	38,245

As at 31 December 2024 and 2025 and 30 June 2026, the carrying amount of the pledged leasehold land were nil, RMB18,706,000 and nil, respectively, as set out in note 25.

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

	Year ended 31 December		Six months ended 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at 1 January	5,889	4,723	2,724
Accretion of interest recognised during the year/period	241	149	55
Termination of a lease term	—	(642)	—
Payments	(1,407)	(1,506)	(668)
Carrying amount at the end of the year/period	4,723	2,724	2,111
Analysed into:			
Current portion	1,557	1,121	1,030
Non-current portion	3,166	1,603	1,081

The maturity analysis of lease liabilities is set out in note 36.

(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*
Interest on lease liabilities	241	149	99	55
Depreciation charge of right-of-use assets	1,822	1,762	911	963
Expense relating to short-term leases	615	729	359	323
Total amount recognised in profit or loss	2,678	2,640	1,369	1,341

(d) The total cash outflow for leases is set out in note 31.

The Company as a lessee

The Company has leasehold land used in its operations. Lump sum payments were made upfront to acquire the leasehold land from the owners with lease periods of 50 years, and no ongoing payments will be made under the terms of this leasehold land.

(a) Right-of-use assets

The Group's right-of-use assets included the leasehold land of the Company, which is located in Wuxi, Chinese mainland, with ending balances amounting to RMB19,160,000, RMB18,706,000 and RMB18,480,000, as at 31 December 2024 and 2025 and 30 June 2026, respectively. The carrying amounts of the Company's pledged leasehold land were nil, RMB18,706,000, and nil, respectively, as set out in note 25 as at 31 December 2024 and 2025 and 30 June 2026.

16. INTANGIBLE ASSETS

The Group and the Company

	Software
	RMB'000
31 December 2024	
At 1 January 2024:	
Cost	585
Accumulated amortisation	(452)
Net carrying amount	133
Cost at 1 January 2024, net of accumulated amortisation	133
Amortisation provided during the year	(66)
At 31 December 2024	67
At 31 December 2024:	
Cost	585
Accumulated amortisation	(518)
Net carrying amount	67

	Software
	RMB'000
31 December 2025	
At 1 January 2025:	
Cost	585
Accumulated amortisation	(518)
Net carrying amount	67
Cost at 1 January 2025, net of accumulated amortisation	67
Additions	414
Amortisation provided during the year	(52)
At 31 December 2025	429
At 31 December 2025:	
Cost	999
Accumulated amortisation	(570)
Net carrying amount	429

The Group

	Software
	RMB'000
30 June 2026	
At 1 January 2026:	
Cost	999
Accumulated amortisation	(570)
Net carrying amount	429
Cost at 1 January 2026, net of accumulated amortisation	429
Additions	186
Amortisation provided during the period	(55)
At 30 June 2026	560
At 30 June 2026:	
Cost	1,185
Accumulated amortisation	(625)
Net carrying amount	560

The Company

	Software
	RMB'000
30 June 2026	
At 1 January 2026:	
Cost	999
Accumulated amortisation	(570)
Net carrying amount	429
Cost at 1 January 2026, net of accumulated amortisation	429
Additions	138
Amortisation provided during the period	(50)
At 30 June 2026	517
At 30 June 2026:	
Cost	1,137
Accumulated amortisation	(620)
Net carrying amount	517

17. INVESTMENTS IN SUBSIDIARIES

The Company

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Investments in subsidiaries	48,819	178,319	178,338
Less: Impairment	—	9,400	9,400
Total	48,819	168,919	168,938

The subsidiaries of the Company are set out in note 1.

The Group had made full impairment in relation to the investments in Changchun ProteLight Pharmaceutical & Biotechnology Co., Ltd. Its business will be transferred to another subsidiary of the Company. Impairment analysis is performed at each reporting date. In the opinion of the Company's directors, no other impairment should be considered in respect of its investments in subsidiaries as at 31 December 2024 and 2025 and 30 June 2026.

18. INVENTORIES

The Group

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	4,697	3,097	3,636
Finished goods	1,268	1,004	1,073
Total	5,965	4,101	4,709

The Company

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	3,061	1,582	2,189

19. TRADE AND BILLS RECEIVABLES

The Group

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	1,903	1,416	1,498
Bills receivable	563	192	131
Carrying amount	2,466	1,608	1,629

The Company

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	511	—	—

The Group's trading terms with its customers mainly require payment within 30 to 60 days after delivery. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade and bills receivables relate to diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade and bills receivables as at the end of each of the Relevant Periods, based on the transaction dates and net of loss allowance, is as follows:

The Group

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	2,466	1,608	1,629

The Company

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	511	—	—

The Group has established a provision matrix that is based on its historical credit loss experience, or by reference to the credit loss experience of similar companies in the market where the Group has not had sufficient credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The directors of the Company are of the opinion that the ECLs in respect of trade receivables are minimal.

20. 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*
Non-current:			
Deductible value-added tax	9,308	13,206	14,562
Prepayment for property, plant and equipment	140	—	—
Non-current portion	9,448	13,206	14,562
Current:			
Deposits and other receivables	2,863	5,498	2,608
Prepayments	1,615	1,071	2,418
Deductible value-added tax	449	—	—
[REDACTED] expenses	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Impairment allowance	(443)	(647)	(1,391)
Current portion	4,484	7,631	7,265
Total	13,932	20,837	21,827

The Company

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Non-current:			
Deductible value-added tax	8,707	12,912	14,444
Prepayment for property, plant and equipment	140	—	—
Non-current portion	8,847	12,912	14,444
Current:			
Prepayments	916	276	1,679
Deposits and other receivables	214	557	817
Deductible value-added tax	322	—	—
[REDACTED] expenses	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Amount due from subsidiaries	21,500	29,915	29,090
Impairment allowance	—	(12)	(34)
Current portion	22,952	32,445	35,182
Total	31,799	45,357	49,626

The balances are interest-free and are not secured with collateral.

The Group has assessed the impairment of other receivables using the expected credit loss method. As at the end of each of the Relevant Periods, the Group assessed and recognised a provision for impairment of other receivables amounting to RMB443,000, RMB647,000, and RMB1,391,000, respectively.

21. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Wealth management products	10,048	147,555	42,037

The Company

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Wealth management products	10,048	97,553	42,037

The wealth management products were purchased from creditworthy commercial banks in the Chinese mainland. They were mandatorily classified as financial assets measured at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

The fair values are based on cash flows discounted using the expected yield rate and are within Level 2 of the fair value hierarchy.

22. CASH AND BANK BALANCES

The Group

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	31,738	63,091	34,050
Time deposits	31,125	31,996	32,437
Pledged deposits	—	160	3,192
	62,863	95,247	69,679
Less:			
Time deposits over three months — current	—	31,996	32,437
Time deposits over three months — non-current	31,125	—	—
Pledged deposits	—	160	3,192
Cash and cash equivalents	31,738	63,091	34,050
Denominated in			
RMB	30,024	58,436	30,249
AUD	1,714	4,655	3,801

The Company

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	27,539	18,085	20,076
Time deposits	31,125	31,996	32,437
Pledged deposits	—	160	1,507
	58,664	50,241	54,020
Less:			
Time deposits over three months — current	—	31,996	32,437
Time deposits over three months — non-current	31,125	—	—
Pledged deposits	—	160	1,507
Cash and cash equivalents	27,539	18,085	20,076
Denominated in RMB	27,539	18,085	20,076

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.

As at 31 December 2025, the pledged deposits were pledged for bills payable of RMB160,000. As at 30 June 2026, the pledged deposits were pledged for bills payable of RMB1,507,000 and letters of guarantee of RMB1,685,000.

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.

23. TRADE AND BILLS PAYABLES

The Group

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	11,294	6,503	9,170
Bills payable	—	160	1,507
Total	11,294	6,663	10,677

The Company

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Trade payables to third parties	10,864	6,367	8,985
Bills payable	—	160	1,507
Trade payables to subsidiaries	6,798	12,856	4,768
Total	17,662	19,383	15,260

An ageing analysis of the trade and bills payables as at the end of each of the Relevant Periods is as follows:

The Group

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	11,294	6,663	10,677

The Company

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	17,662	19,383	15,260

Trade and bills payables are non-interest-bearing and are normally settled on terms of 30 to 90 days.

24. 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	5,287	5,272	3,371
Payable for purchase of property, plant and equipment	834	797	750
Accrued expense	—	2,136	406
Other payables	1,933	2,349	927
Total	8,054	10,554	5,454

The Company

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Current:			
Payroll payable	4,107	4,408	2,816
Payable for purchase of property, plant and equipment	790	760	713
Accrued expense	—	2,136	314
Amount due to subsidiaries	—	38,315	107,415
Other payables	922	1,730	487
Total	5,819	47,349	111,745

25. INTEREST-BEARING BANK BORROWINGS

The Group and the Company

	As at 31 December 2024			As at 31 December 2025			As at 30 June 2026		
	Effective interest rate (%)	*Maturity*	*RMB'000*	*Effective interest rate (%)*	*Maturity*	*RMB'000*	*Effective interest rate (%)*	*Maturity*	*RMB'000*
Current									
Bank loans — secured *(i)*	—	—	—	3-3.1	2026	40,033	—	—	—
Bank loans — guaranteed *(ii)*	3-3.1	2025	30,013	2.7-2.8	2026	20,016	—	—	—
Bank loans — unsecured	2.8	2025	9,907	2.7	2026	9,998	—	—	—
Total			39,920			70,047			—

Notes:

(i) Certain of the Group's bank loans are secured by:

i. mortgages over the Group's buildings, which had an aggregate carrying value of RMB88,239,000 as at 31 December 2025; and

ii. mortgages over the Group's leasehold land, which had an aggregate carrying value of RMB18,706,000 as at 31 December 2025.

(ii) The Group's bank loans, amounting to RMB29,990,000 and RMB20,000,000, were guaranteed by Dr. Chen as at 31 December 2024 and 2025, respectively. The guaranteed bank loans were repaid in January 2026, and the guarantees provided by Dr. Chen were released accordingly.

26. DEFERRED TAX

The movements in deferred tax assets and liabilities during the Relevant Periods are as follows:

Deferred tax liabilities

	Right-of-use assets
	RMB'000
At 1 January 2024	1,554
Deferred tax credited to profit or loss during the year	(555)
Gross deferred tax liabilities at 31 December 2024 and 1 January 2025	999
Deferred tax charged to profit or loss during the year	(215)
Gross deferred tax liabilities at 31 December 2025 and 1 January 2026	784
Deferred tax charged to profit or loss during the period	(141)
Gross deferred tax liabilities at 30 June 2026	643

Deferred tax assets

	Lease liabilities	Others	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2024	1,170	384	1,554
Deferred tax charged to profit or loss during the year	(378)	(177)	(555)
Gross deferred tax assets at 31 December 2024 and 1 January 2025	792	207	999
Deferred tax charged to profit or loss during the year	(111)	(104)	(215)
Gross deferred tax assets at 31 December 2025 and 1 January 2026	681	103	784
Deferred tax charged to profit or loss during the period	(153)	12	(141)
Gross deferred tax assets at 30 June 2026	528	115	643

For presentation purposes, deferred tax assets and liabilities have been offset in the statements of financial position.

27. REDEMPTION LIABILITIES ON EQUITY INTERESTS

In September 2018, the Company issued 6,537,247 equity interests in aggregate to the Series B investors of the Company for a total consideration of RMB133,000,000, of which 5,898,268 equity interests with redemption rights were recorded as Series B Redemption Liabilities on Equity Interests ("**Series B**").

In November 2021, the Company issued 1,111,912 equity interests in aggregate to the Series C investors of the Company ("**Series C**") for a total consideration of RMB33,330,883.

On 4 January 2021, certain Series C investors additionally purchased 4,718,614 equity interests from another then shareholder and these equity interests were entitled to redemption rights, together with 1,111,912 Series C Preferred Equity Interests with redemption rights, which were recorded as Series C Redemption Liabilities on Equity Interest ("**Series C**").

In December 2022, the Company issued 5,760,223 equity interests in aggregate to the Series D investors of the Company ("**Series D**") for a total consideration of RMB279,999,832.

In November 2025, the Company issued 4,628,752 equity interests in aggregate to the Series D+ investors of the Company ("**Series D+**") for a total consideration of RMB224,999,900.

Significant terms of the equity interests above that will impact the accounting treatment of the Group are outlined below:

Redemption feature

Equity interests with preferential rights shall be redeemable by the Company and/or the founder of the Company upon the occurrence of the following circumstances (the "Repurchase Event"): (i) the Company fails to complete **[REDACTED]** by a specific date; (ii) the Company commits material violations of laws or regulations; (iii) the Company or its de facto controller engages in serious acts of bad faith; or (iv) changes to the Company's controlling shareholder.

Pursuant to a supplemental agreement entered into by the Company with, among others, the shareholders of the Company dated 29 November 2025, the redemption features ceased to be exercisable immediately prior to the date of the first submission of the **[REDACTED]** application to the Stock Exchange (being 13 February 2026).

According to the supplemental agreement, equity interests with preferential rights shall be redeemable by the Company and/or the founder of the Company upon the occurrence of the following circumstances (the "Repurchase Event"): (i) the failure to obtain the **[REDACTED]** approval within 24

months after the first submission of the **[REDACTED]** application by the Company to the Stock Exchange; (ii) the rejection or return of the **[REDACTED]** application by the Stock Exchange or relevant regulatory authorities; (iii) the withdrawal of the **[REDACTED]** application; or (iv) the failure to consummate the **[REDACTED]** within the validity period of the **[REDACTED]** approval granted by the Stock Exchange.

The repurchase price is the aggregate of the original issue price for the respective series plus an annual return of 10% on the investment (deducting the dividends paid).

Liquidation preference

In the event of liquidation or sale of the Company, the distribution order of the remaining assets (or sale consideration) after paying liquidation expenses, employee debts and taxes according to law is as follows: (i) the investors of Series D+ and Series D have the priority to obtain the aggregate of the original issue price for the respective series plus an annual return of 10% on the investment funds and accumulated undistributed dividends (deducting the dividends paid); (ii) Series C investors and one of the Series B investors shall receive 100% of their investment and accumulated undistributed dividends in turn; (iii) other shareholders shall receive 100% of the investment and accumulated undistributed dividends in the reverse order of the time of acquisition. If the property is insufficient, the same order shall apply and distribution shall be made according to the shareholding ratio, and the difference shall be made up by the founder. If there is still any surplus, it shall be distributed according to the shareholding ratio of all shareholders.

Anti-dilution right

If the Company increases its share capital at a price lower than the price paid by the investors for their investments on a per paid-in capital basis prior to a qualified **[REDACTED]**, the investors have a right to require that: (i) the founder transfer to the investors the equity required for adjustment at zero or de minimis consideration (or at the minimum price permitted by law), (ii) the founder compensate the investors in cash, (iii) the Company issue additional shares to the investors, or (iv) the Company compensate the investors in cash, provided that the specific method shall be selected by the investor in its sole discretion, so that the total amount paid by the investors divided by the total amount of share capital obtained is equal to the price per share capital in the new issuance.

Presentation and classification

The Group had consistently recognised the equity interests as redemption liabilities on equity interests measured at amortised cost.

As Series Pre-A and Series A pre-**[REDACTED]** investors were not entitled with redemption rights, the Company does not have an obligation i) to deliver cash or other financial assets to the holders of Series Pre-A and Series A equity interests; ii) to exchange financial assets or financial liabilities with the holders of Series Pre-A and Series A equity interests that are potentially unfavourable to the Company; and iii) to deliver a variable number of the Company's own equity interests. Hence, Series Pre-A and Series A equity interests are recognised as equity in accordance with the relevant HKFRS Accounting Standard.

Total redemption liabilities on equity interests of the Group and the Company are set out below:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Series B	114,102	114,102	114,102
Series C	168,946	168,946	168,946
Series D	274,240	274,240	274,240
Series D+	—	225,000	225,000
Interest payable related to redemption liabilities	199,621	260,172	299,831
Total	756,909	1,042,460	1,082,119

The movements of the redemption liabilities on equity interests as at the end of each of the Relevant Periods are set out below:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year/period	699,274	756,909	1,042,460
Series D+	—	225,000	—
Interest expense	57,635	60,551	39,659
Total	756,909	1,042,460	1,082,119

28. PAID-IN CAPITAL/SHARE CAPITAL

The Group and the Company

Share capital

	Number of shares in issue	Share capital
		RMB'000
As at 31 December 2025 and 1 January 2026	—	—
Conversion into a joint stock company	51,533,475	51,534
As at 30 June 2026	51,533,475	51,534

Paid-in capital

	Paid-in capital
	RMB'000
At 1 January 2024	46,905
At 31 December 2024 and 1 January 2025	46,905
Issuance of Series D+ equity interests	4,629
At 31 December 2025 and 1 January 2026	51,534
Conversion into a joint stock company	(51,534)
At 30 June 2026	—

On 29 January 2026, the Company was converted into a joint stock company with limited liability. The conversion was made with reference to the net asset value of the Company as of 30 November 2025, of which RMB51,533,475 was converted into 51,533,475 shares with a nominal value of RMB1.00 per share, as subscribed by the shareholders in proportion to their respective equity interests in the Company immediately before the joint stock conversion.

29. DEFICITS

The Group

The amounts of the Group's deficits and the movements therein are presented in the consolidated statements of changes in equity of the Historical Financial Information.

Capital reserve/Share premium

The Capital reserve/Share premium represents the difference between the paid-in capital and the consideration received.

Other reserve

The other reserve represents liabilities arising on recognition of redemption liabilities on equity interests as set out in note 27.

Share-based payment reserve

The share-based payment reserve represents the equity-settled share-based payment transaction as set out in note 30.

The Company

	Capital reserve/ Share premium	Share-based payment reserve	Accumulated losses	Other reserve	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	569,667	10,108	(462,527)	(557,287)	(440,039)
Loss for the year	—	—	(152,532)	—	(152,532)
Equity-settled share-based payment	—	4,327	—	—	4,327
At 31 December 2024 and 1 January 2025	569,667	14,435	(615,059)	(557,287)	(588,244)
Loss for the year	—	—	(147,951)	—	(147,951)
Issue of equity interests	220,371	—	—	—	220,371
Share issue expense	(9,361)	—	—	—	(9,361)
Redemption liabilities on equity interests	—	—	—	(225,000)	(225,000)
Equity-settled share-based payment	—	2,604	—	—	2,604
At 31 December 2025 and 1 January 2026	780,677	17,039	(763,010)	(782,287)	(747,581)
Loss for the period	—	—	(80,687)	—	(80,687)
Equity-settled share-based payment	—	1,396	—	—	1,396
At 30 June 2026	780,677	18,435	(843,697)	(782,287)	(826,872)

30. SHARE-BASED PAYMENT

The Company established an employee incentive platform for the purpose of providing incentives and rewards to eligible employees who contribute to the success of the Group's operations. Eligible participants of the Employee Incentive Scheme include the Company's directors and other employees of the Group who have made significant contributions to the development of the Group. Jiangyin Puyuan Enterprise Management Partnership (Limited Partnership) (江陰普源企業管理合夥企業(有限合夥)) ("**Jiangyin Puyuan**") was used as a restricted share platform to facilitate the administration of the Employee Incentive Scheme.

2022 Employee Incentive Scheme

On 23 August 2022, the shareholders of the Company approved a resolution to adopt a restricted share plan.

The eligible employees and directors shall subscribe for partnership interests in Jiangyin Puyuan as partners according to 4,004,003 shares granted at the subscription price of RMB7.77 or RMB8.16 per share. Each share represented RMB1 of paid-in capital of the Company.

Subject to the terms and conditions as set out in the Employee Incentive Scheme, if eligible employees resign prior to the date falling four years after the completion of the **[REDACTED]** (the "**Target Date**"), Dr. Chen or parties designated by Dr. Chen have the right to repurchase and the resigned employees have to sell the restricted shares granted and vested at the subscription price. Therefore, the period from the grant date to the Target Date constitutes an implied service period. The Group does not bear the obligation to settle the restricted shares for employees. The Employee Incentive Scheme was accounted for as an equity-settled plan.

Set out below are details of the movements of the restricted shares granted under the Employee Incentive Scheme during the Relevant Periods:

	Number of restricted shares granted
As at 1 January 2024	3,345,848
Granted during the year	658,155
As at 31 December 2024 and 1 January 2025	4,004,003
Forfeited during the year	(309,996)
As at 31 December 2025 and 1 January 2026	3,694,007
Forfeited during the period	(65,000)
As at 30 June 2026	3,629,007

The following restricted shares were outstanding under the Employee Incentive Scheme as of 30 June 2026:

Date of grant	Number of restricted shares granted	Subscription price per share	Fair value at grant date per share	Vesting schedule
		RMB	*RMB*	
March 2023	3,194,107	7.77	17.40	The restricted shares granted will be released in equal 25% over a period of four years after the completion of **[REDACTED]**.
May 2024	434,900	8.16	20.33	
Total	3,629,007			

During the Relevant Periods, share-based payment compensation expenses of RMB4,327,000, RMB3,638,000, RMB2,387,000 (unaudited) and RMB1,632,000 were charged to profit or loss for the year ended 31 December 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

The fair values of the restricted shares granted to the employees were estimated as at the date of grant using the equity value allocation method based on the most recent valuation, taking into account the terms and conditions upon which the restricted shares were granted. The following table lists the inputs to the model used:

	March 2023	May 2024
Expected Volatility (%)	52.76	49.56
Risk-free interest rate (%)	2.44	1.79
Dividend yield (%)	—	—

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may, not necessarily be the actual outcome.

31. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Changes in liabilities arising from financing activities

	Redemption liabilities on equity interests	Interest-bearing bank loans	Lease liabilities	Accrued [REDACTED] expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	699,274	—	5,889	**[REDACTED]**	705,163
Accretion of interest recognised during the year	57,635	556	241	**[REDACTED]**	58,432
Changes from financing cash flows	—	39,364	(1,407)	**[REDACTED]**	37,957
At 31 December 2024 and 1 January 2025	756,909	39,920	4,723	**[REDACTED]**	801,552
Accretion of interest recognised during the year	60,551	1,763	149	**[REDACTED]**	62,463
Revision of a lease term arising from a change	—	—	(642)	**[REDACTED]**	(642)
Accrued **[REDACTED]** expenses	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Deferred **[REDACTED]** expenses	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Changes from operating cash flows	—	—	—	**[REDACTED]**	(4,503)
Changes from financing cash flows	225,000	28,364	(1,506)	**[REDACTED]**	251,858
At 31 December 2025 and 1 January 2026	1,042,460	70,047	2,724	**[REDACTED]**	1,116,920
Accretion of interest recognised during the period	39,659	421	55	**[REDACTED]**	40,135
Accrued **[REDACTED]** expenses	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Deferred **[REDACTED]** expenses	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Changes from operating cash flows	—	—	—	**[REDACTED]**	(9,211)
Changes from financing cash flows	—	(70,468)	(668)	**[REDACTED]**	(74,766)
At 30 June 2026	1,082,119	—	2,111	**[REDACTED]**	1,084,230
At 1 January 2025	756,909	39,920	4,723	**[REDACTED]**	801,552
Accretion of interest recognised during the period (unaudited)	28,503	705	99	**[REDACTED]**	29,307
Changes from financing cash flows (unaudited)	—	19,303	(852)	**[REDACTED]**	18,451
At 30 June 2025 (unaudited)	785,412	59,928	3,970	**[REDACTED]**	849,310

(b) 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	615	729	359	323
Within financing activities	1,407	1,506	852	668
Total	2,022	2,235	1,211	991

32. COMMITMENTS

Capital expenditure contracted for at the end of each of the Relevant Periods but not yet incurred is as follows:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Contracted but not provided for	—	20,380	7,968

In order to support the expected commercialisation and the research and development, on 15 December 2025, UltraPep Biopharma (Zhejiang) Co., Ltd., a subsidiary of the Group, entered into a land-use-rights transfer agreement with Taizhou Natural Resources and Planning Bureau. The capital expenditure contracted was mainly for the acquisition of land use rights and the construction of the new factory.

33. RELATED PARTY TRANSACTIONS

(a) Guarantees

Dr. Chen has guaranteed certain bank loans made to the Group up to RMB29,990,000, RMB20,000,000, nil as at 31 December 2024 and 2025 and 30 June 2026, respectively, as set out in note 25.

(b) Compensation of key management personnel of the Group

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Salaries, bonuses and allowances	3,581	5,339	2,268	2,912
Pension scheme contributions and social welfare	311	455	225	254
Equity-settled share-based payment	726	1,626	883	950
Total compensation paid to key management personnel	4,618	7,420	3,376	4,116

34. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

The Group

Financial assets

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Financial assets at fair value:			
Financial assets at fair value through profit or loss	10,048	147,555	42,037
Financial assets measured at amortised cost:			
Trade and bill receivables	2,466	1,608	1,629
Financial assets included in prepayments, other receivables and other assets	2,420	4,851	1,217
Pledged deposits	—	160	3,192
Time deposits	31,125	31,996	32,437
Cash and cash equivalents	31,738	63,091	34,050
Total	77,797	249,261	114,562

Financial liabilities

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Financial liabilities measured at amortised cost:			
Trade and bills payables	11,294	6,663	10,677
Redemption liabilities on equity interest	756,909	1,042,460	1,082,119
Financial liabilities included in other payables and accruals *(note 24)*	2,767	3,146	1,677
Interest-bearing bank borrowings	39,920	70,047	—
Total	810,890	1,122,316	1,094,473

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, time deposits, pledged deposits, trade and bills receivables, financial assets included in prepayments, other receivables and other assets, trade and bills payables, financial liabilities included in other payables and accruals and interest-bearing bank borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the financial controller 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 directors review the results of the fair value measurement of financial instruments periodically for financial reporting.

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 wealth management products, which represent wealth management products issued by banks. The Group has estimated the fair value of these investments 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 time deposits have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The Group's own non-performance risk for interest-bearing bank borrowings at 31 December 2024, 31 December 2025 and 30 June 2026 was assessed to be insignificant.

An analysis of the fair value measurement of financial instruments as at the end of each of the Relevant Periods is as follows:

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	Significant observable inputs	Significant unobservable inputs	Total
	(Level 1)	(Level 2)	(Level 3)	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2024				
Financial assets measured at fair value through profit or loss	—	10,048	—	10,048
As at 31 December 2025				
Financial assets measured at fair value through profit or loss	—	147,555	—	147,555
As at 30 June 2026				
Financial assets measured at fair value through profit or loss	—	42,037	—	42,037

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 financial assets.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, time deposits, pledged deposits, financial assets at fair value through profit or loss, redemption liabilities on equity interests and interest-bearing bank borrowings. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various financial assets and liabilities such as trade and bills receivables, financial assets included in prepayments, other receivables and other assets, trade and bills payables, and financial liabilities included in other payables and accruals, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

Except for bank savings which earn interest at floating rates, the Group has no significant interest-bearing assets. The Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from borrowings. The management of the Group is of the opinion that there is no significant interest rate risk, as the Group's borrowings are generally with fixed interest rates. The Group's bank balances are exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate. The management of the Company considers that the Group's exposure to interest rate risk in respect of bank balances is not significant.

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.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on ageing information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2024, 31 December 2025 and 30 June 2026. The amount presented is gross carrying amount for financial assets.

The Group

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	—	—	—	1,903	1,903
Bills receivable**	563	—	—	—	563
Financial assets included in prepayments, other receivables and other assets — Normal**	2,863	—	—	—	2,863
Time deposits	31,125	—	—	—	31,125
Cash and cash equivalents	31,738	—	—	—	31,738
Total	66,289	—	—	1,903	68,192

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	—	—	—	1,416	1,416
Bills receivable**	192	—	—	—	192
Financial assets included in prepayments, other receivables and other assets					
— Normal**	4,288	—	—	—	4,288
— Doubtful**	—	1,210	—	—	1,210
Pledged deposits	160	—	—	—	160
Time deposits	31,996	—	—	—	31,996
Cash and cash equivalents	63,091	—	—	—	63,091
Total	99,727	1,210	—	1,416	102,353

As at 30 June 2026

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	—	—	—	1,498	1,498
Bills receivable**	131	—	—	—	131
Financial assets included in prepayments, other receivables and other assets					
— Normal**	1,400	—	—	—	1,400
— Doubtful**	—	—	1,208	—	1,208
Pledged deposits	3,192	—	—	—	3,192
Time deposits	32,437	—	—	—	32,437
Cash and cash equivalents	34,050	—	—	—	34,050
Total	71,210	—	1,208	1,498	73,916

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in notes 19 to the financial statements.

** The credit quality of the financial assets included in prepayments, other receivables and other assets, and bills receivable is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

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:

The Group

	As at 31 December 2024		
	Less than 1 year or on demand	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bill payables	11,294	—	11,294
Financial liabilities included in other payables and accruals	2,767	—	2,767
Interest-bearing bank borrowings	40,546	—	40,546
Lease liabilities	1,684	3,334	5,018
Redemption liabilities on equity interests	756,909	—	756,909
Total	813,200	3,334	816,534

	As at 31 December 2025		
	Less than 1 year or on demand	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills payables	6,663	—	6,663
Financial liabilities included in other payables and accruals	3,146	—	3,146
Interest-bearing bank borrowings	70,614	—	70,614
Lease liabilities	1,137	1,625	2,762
Redemption liabilities on equity interests	1,042,460	—	1,042,460
Total	1,124,020	1,625	1,125,645

	As at 30 June 2026		
	Less than 1 year or on demand	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills payables	10,677	—	10,677
Financial liabilities included in other payables and accruals	1,677	—	1,677
Lease liabilities	1,079	1,106	2,185
Redemption liabilities on equity interests	1,082,119	—	1,082,119
Total	1,095,552	1,106	1,096,658

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. 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.

The current ratio as at the end of each reporting period is as follows:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Current assets	54,701	256,142	125,319
Current liabilities	817,734	1,131,045	1,099,480
Current ratio *(note)*	0.07	0.23	0.11

Note: Current ratio is calculated by dividing current assets by current liabilities.

37. SUBSEQUENT EVENTS

There were no material subsequent events after the end of the Relevant Periods that required additional disclosure or adjustments.

38. 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 letter and valuation report, prepared for the purpose of incorporation in this document, received from Graval Consulting Limited, an independent property valuer, in connection with their valuation as at 31 July 2026 of the property interests held by the Group in the People's Republic of China.

Graval Consulting Limited
Suites 2401–02, 24/F,
Shui On Centre, 6–8 Harbour Road,
Wanchai, Hong Kong

[[•] 2026]

The Board of Directors
ProteLight Pharmaceuticals (Jiangsu) Co., Ltd.
No. 1 Anquan Road,
Jiangyin City,
Wuxi City,
Jiangsu Province,
the People's Republic of China

Dear Sirs and Madams,

Re: Valuation of a factory complex located at No. 1 Anquan Road, Jiangyin City, Wuxi City, Jiangsu Province, the People's Republic of China (the "**Property**") (中華人民共和國江蘇省無錫市江陰市安全路1號之工業廠房)

INSTRUCTIONS

We refer to your instruction for us to value the property interests held by ProteLight Pharmaceuticals (Jiangsu) Co., Ltd. (the "**Company**") or its subsidiaries (together referred as the "**Group**") located in the People's Republic of China (the "**PRC**"). We confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property in existing state as at 31 July 2026 (the "**Valuation Date**") for the purpose of incorporation into the document issued by the Company on the date hereof.

This letter which forms part of our valuation report explains the basis and methodology(ies) of valuation, clarifying assumptions, valuation considerations, title investigations and limiting conditions of this valuation.

BASIS OF VALUATION

The valuation is our opinion of the market value ("**Market Value**") which is defined by the Hong Kong Institute of Surveyors 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".

VALUATION STANDARDS

In valuing the property interests, we have complied with all the requirements contained in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited ("**Listing Rules**"), and the HKIS Valuation Standards 2024 Edition published by the Hong Kong Institute of Surveyors ("**HKIS**"), the RICS Valuation — Global Standards (Effective on 31 January 2025) published by the Royal Institution of Chartered Surveyors ("**RICS**") and the International Valuation Standards published by International Valuation Standards Council ("**IVSC**") (Effective on 31 January 2025).

VALUATION METHODOLOGY(IES)

According to the RICS Valuation — Global Standards (Effective on 31 January 2025), there are three generally accepted valuation approaches: market approach, income approach and cost approach.

Market approach is an approach that provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available.

Income approach is an approach that provides an indication of value by converting future cash flows to a single current capital value.

Cost approach is an approach that provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or construction.

In valuing the Property, we have adopted the Market approach as there is sufficient market information of the similar assets in the locality.

TITLE INVESTIGATION

We have been shown copies of various documents relating to the property interest. However, we have not examined the original documents to verify the existing title to the property interest or to ascertain any amendment which does not appear on the copies handed to us. We have assumed that the copies of the documents obtained are consistent with their originals. All documents have been used for reference only. We have relied considerably on the information given by the Group's PRC Legal Advisor, 錦天城律師事務所 (AllBright Law Offices*), concerning the validity of the title to the property interest located in the PRC.

AREA MEASUREMENT AND INSPECTION

Our Sr Lawrence Chan Ka Wah, MRICS, MHKIS, R.P.S. (GP), MCIREA, RICS Registered Valuer has inspected the Property on 25 November 2025. In the course of our inspections, we did not note any serious structural defects. However, no structural survey has been made and we are therefore unable to report whether the Property are free from rot infestation or any other defects. No tests were carried out on any of the services.

We have not carried out detailed on-site measurement to verify the correctness of the areas in respect of the Property but have assumed that the areas shown on the documents handed to us are correct. All dimensions, measurements and areas are approximate.

Moreover, we have not carried out investigations on site to determine the suitability of the ground conditions and the services etc., for any future development. Nor did we undertake archaeological, ecological or environmental surveys for the Property. Our valuation is prepared on the assumption that these aspects are satisfactory and no extraordinary expenses or delay will be incurred during the development period.

No environmental impact study has been ordered or made. Full compliance with applicable national, provincial and local environmental regulations and laws is assured unless otherwise stated, defined and considered in the valuation report.

Our valuation has been made on the basis that there is no substantial change in the physical conditions of the Property between the Valuation Date and the date of our inspection.

VALUATION ASSUMPTION

In valuing the property interests, we have assumed that the owner has free and uninterrupted rights to use the property interest for the whole of the unexpired term as granted and is entitled to transfer the property interest with the residual term without payment of any further premium to the government authorities or any third parties.

Our valuation has been made on the assumption that the owner sells the property interests of the Property on the open market in its existing state without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the values of the property interests. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the property and no forced sale situation in any manner is assumed in our valuation.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property interests valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

All consents, approvals and license from relevant government authorities for the property interests have been granted without any onerous conditions or undue time delay which might affect their values. All the required licenses, consents, or other legislative or administrative authority from any local, provincial, or national government, private entity or organization either have been or can be obtained or renewed for any use which the valuation report covers.

All applicable zoning and use regulations and restrictions have been complied with unless nonconformity has been stated, defined, and considered in the valuation report. However, we have assumed that the utilization of the property interest and improvements are within the boundaries of the property interest described and that no encroachment or trespass exists, unless noted in the valuation report.

LIMITING CONDITIONS

We have relied to a considerable extent on information provided by the Group and have accepted advices given to us on such matters, in particular, but not limited to tenure, planning approvals, statutory notices, easements, particulars of occupancy, site and floor areas, room and facilities schedule and all other relevant matters in the identification of the Property.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also been advised by the Group that no material fact has been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

This valuation is to be used only for the purpose stated herein, any use or reliance for any other purpose, by you or third parties, is invalid. No reference to our name or our valuation report in whole or in part, in any document you prepare and/or distribute to third parties may be made without written consent.

REMARKS

Unless otherwise stated, all money amounts stated are in Renminbi (RMB).

The English transliteration of the Chinese name(s) in this valuation report, where indicated by an asterisk (*), is included for information purposes only, and should not be regarded as the official English name(s) of such Chinese name(s).

We hereby confirm that we are independent of and not connected with the Group, and have neither present nor prospective interests in the Group, the Property or the values reported herein.

We enclose herewith the valuation report.

Yours faithfully,
For and on behalf of
Graval Consulting Limited

Sr Lawrence Chan Ka Wah
MRICS, MHKIS, R.P.S. (GP), MCIREA, RICS Registered Valuer
Partner

Sr Lawrence Chan Ka Wah is a member of the Royal Institution of Chartered Surveyors, a member of the Hong Kong Institute of Surveyors, Registered Professional Surveyors in the General Practice Section, a RICS Registered Valuer and a member of the China Institute of Real Estate Appraisers and Agents, who has over 20 years' experience in the valuation of properties in Hong Kong, Macau, the PRC and the Asia-Pacific Region. Lawrence joined Graval Consulting Limited in 2020.

VALUATION REPORT

Property interests held by the Group in the PRC for self-occupation purpose

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 July 2026
			RMB
Factory complex located at No. 1 Anquan Road, Jiangyin City, Wuxi City, Jiangsu Province, the PRC (中華人民共和國江蘇省無錫市江陰市安全路1號之工業廠房) . .	The Property is a factory complex comprises a piece of land with a site area of approximately 64,797 sq.m., on which a 5-storey office building, a 3-storey research centre, a 2-storey workshop, a 2-storey warehouse, a 3-storey dormitory with canteen, ancillaries structures and carparking spaces erected thereon and was completed in 2019. The total gross floor area of the Property is approximately 27,695.56 sq.m.. The headroom of the workshop and warehouse are both 6.5m respectively. The land use rights of the Property were granted for a term expiring on 30 March 2067 for industrial use.	As advised by the Company, portion of the Property with a total gross floor area of approximate 6,414.67 sq.m. is leased for a term of 1 year commencing on 1 January 2026 and expiring on 31 December 2026 for office, production and research uses, while the remaining portion of the Property is owner-occupied by the Group as at Valuation Date.	110,000,000 (Renminbi One Hundred and Ten Million Only)

Notes:

1. Pursuant to a State Owned Land Use Rights Grant Contract (Contract No. 3202812017CR0009) dated 10 February 2017, the land use rights of the Property with a site area of approximately 64,797 sq.m. were granted to 江蘇普萊醫藥生物技術有限公司 (Jiangsu ProteLight Pharmaceutical & Biotechnology Co., Ltd.*) for a term of 50 years commencing on the date of contract for industrial use. The salient development condition(s) stated are as below:

Plot Ratio	:	Not less than 0.8
Building Density	:	Not less than 50%
Greenery Ratio	:	Not more than 15%

2. Pursuant to a Real Estate Ownership Certificate (不動產權證書) (Document No.: Su (2019) Jiang Yin Shi Bu Dong Chan Quan Di 0026677 (蘇(2019)江陰市不動產權第0026677號 dated 19 August 2019, the land use rights of the Property with a site area of approximately 64,797 sq.m. were granted to 江蘇普萊醫藥生物技術有限公司 (Jiangsu ProteLight Pharmaceutical & Biotechnology Co., Ltd.*) for a term expiring on 30 March 2067 for industrial use.

   Moreover, as stipulated in the Real Estate Ownership Certificate, the ownership of the building of the Property with a total gross floor area of approximate 27,695.56 sq.m. is vested in 江蘇普萊醫藥生物技術有限公司 (Jiangsu ProteLight Pharmaceutical & Biotechnology Co., Ltd.*). The details are as follows:

Portion of the Property	No. of Storey	Approximate Gross Floor Area
		(sq.m.)
Building No. 1	1	24.44
Building No. 2	1	186.81
Building No. 3	1	497.31
Building No. 4	3	3,665.06
Building No. 5	3	4,208.76
Building No. 6	1	39.16
Building No. 7	5	6,002.85
Building No. 8	1	81.56
Building No. 9	2	7,882.9
Building No. 10	1	96.47
Building No. 11	2	5,010.24
	Total	27,695.56

3. Pursuant to a tenancy agreement entered into between 江蘇普萊醫藥生物技術有限公司 (Jiangsu ProteLight Pharmaceutical & Biotechnology Co., Ltd.*) and 江蘇普肽醫藥技術有限公司 (Jiangsu PuTai Pharmaceutical Technology Co., Ltd.*) (the "**Tenant**") dated 4 January 2026, Level 3 of Block A, Level 2 of Block E, Level 2 of Block J and Block M of the Property with a total gross floor area of approximate 6,414.67 sq.m. is leased to the Tenant for a term of 1 year commencing on 1 January 2026 and expiring on 31 December 2026 for office, production and research uses at a monthly rent of RMB128,293.4, exclusive of utilities fees. As confirmed by the Company, the Tenant is connected to the Company.

4. Pursuant to a Maximum Loan Amount Mortgage Contract — 錫光江陰銀抵綜2024第0144號 (Xi Guang Jiang Yin Yin Di Zong 2024 Di No. 0144*) entered into between 中國光大銀行股份有限公司無錫分行 (China Everbright Bank Company Limited Wuxi Branch*) (the Mortgagee) and 江蘇普萊醫藥生物技術有限公司 (Jiangsu ProteLight Pharmaceutical & Biotechnology Co., Ltd.*) (the Mortgagor) dated 23 April 2025, the Property was mortgaged to the Mortgagee for a maximum loan amount of RMB 100,000,000.

5. Pursuant to Business Licence No. 320281000202306290002 dated 29 June 2023, 江蘇普萊醫藥生物技術有限公司 (Jiangsu ProteLight Pharmaceutical & Biotechnology Co., Ltd.*) was established on 8 April 2009 as a limited company with a registered capital of RMB46,904,723.

6. Our Sr Lawrence Chan Ka Wah, MRICS, MHKIS, R.P.S. (GP), MCIREA, RICS Registered Valuer has inspected the property on 25 November 2025, the external and internal conditions of the Property were reasonable.

7. The Property is situated at the eastern of Anquan Road (安全路) near its the junction of Binjiang East Road (濱江東路) of Jiangyin City (江陰市). Buildings in the locality comprise factories complex, research development, warehouses and workshops. The hub area of Jiangyin is about 20-minute driving distance from the Property, while Wuxi Shuofang Airport (無錫碩放機場) and Jiangyin Railway Station (江陰站) are about 60-minute and 30-minute driving distance respectively.

8. In valuing the Property, we have adopted market approach in our valuation by making reference to five listing comparables. Those listing comparables are gathered from hz.58.com (58.同城房產), a popular agency online platform in the PRC, which are considered to be major and popular providers of property listing information in the PRC. The five listing comparables form an exhaustive list of transactions based on the selection criteria below.

Listing Comparables	**1**	**2**	**3**	**4**	**5**
Location	Huashi Town, Jiangyin City (江陰市華士鎮)	Huashi Town, Jiangyin City (江陰市華士鎮)	Huashi Town, Jiangyin City (江陰市華士鎮)	Huashi Town, Jiangyin City (江陰市華士鎮)	Huashi Town, Jiangyin City (江陰市華士鎮)
Property Type	Factory	Factory	Factory	Factory	Factory
Gross Floor Area *(sq.m.)*	1,800	3,000	1,400	1,800	2,200
Exterior condition	Good	Good	Good	Good	Good
Headroom *(m)*	7.8	7.8	7.8	7.8	9.0
Facility	Office, Dormitory, Canteen, Carpark	Office, Dormitory, Canteen, Carpark	Canteen, Carpark	Dormitory, Canteen, Carpark	Dormitory, Canteen, Carpark
[REDACTED]	8 June 2026	18 July 2026	9 July 2026	20 May 2026	20 May 2026
Listing Price *(RMB)*	8,600,000	13,000,000	6,300,000	9,000,000	9,000,000
Listing Unit Rate *(RMB/sq.m.)*	4,778	4,333	4,500	5,000	4,500

The selection criteria for the comparables are as follows:

i. Situated within the same county, i.e. Jiangyin City;

ii. Being factory complex with facilities such as office, dormitory, canteen and carpark;

iii. The **[REDACTED]** of the comparables are listed within 2 months before the Valuation Date.

Appropriate adjustments and analysis are considered to the differences in several aspects including time, nature of transaction, location, property type, quantum, exterior condition, headroom and facilities between the comparables and the Property. The general basis of adjustment is that if the comparables is superior to the Property, a downward adjustment is made. Alternatively, if the comparables is inferior or less desirable than the Property, an upward adjustment is made. The adjustment range are between -21% and -6.1% as below.

(i)	Time	:	0%
(ii)	Nature of Transaction	:	-10%
(iii)	Location	:	0%
(iv)	Property Type	:	0%
(v)	Quantum	:	-5.3% – -4.9%
(vi)	Exterior condition	:	-5% – 0%
(vii)	Headroom	:	-2% – -0.8%
(viii)	Facilities	:	0% – 15%

Based on the above analysis of the comparables, we have arrived at the adjusted unit rate of the Property at around RMB3,975 per sq.m..

Below is the adjustment rationale of each of the adjustment factors made on the differences between the Property and the comparables.

	Factor		Rationale
(i)	Time	:	The **[REDACTED]** are listed within 2 months immediately preceding the Valuation Date. There was no significant change in market condition between the Valuation Date and the **[REDACTED]** of all listing comparables. The adjustment rates are zero on time factor.
(ii)	Nature of Transaction.	:	All comparables are listing by willing sellers, downward adjustments are made to reflect the room for negotiation between a willing seller and a willing buyer.
(iii)	Location	:	All listing comparables are located in the same locality. The adjustment rates are zero on location factor.
(iv)	Property type.	:	All comparables are factory which is similar to the Property. The adjustment rates are zero on property type factor.
(v)	Quantum	:	Unit rates of the properties with larger size is generally lower, and vice versa. Downward adjustments are made for listing comparables with their gross floor area are smaller than the Property, and vice versa.
(vi)	Exterior condition . .	:	Unit rates of properties with good; reasonable and simple exterior conditions are high, medium and low respectively.
(vii)	Headroom	:	Unit rates of properties with higher headroom is generally higher, and vice versa.
(viii)	Facility	:	Facility such as adequate dormitory, canteen, ancillary office, parking space are normally provided in factory complex. Unit rates of properties with more facilities is generally higher, and vice versa.

9. As advised by the Company, 江蘇普萊醫藥生物技術有限公司 (Jiangsu ProteLight Pharmaceutical & Biotechnology Co., Ltd.*) is renamed as 普萊醫藥（江蘇）股份有限公司 ProteLight Pharmaceuticals (Jiangsu) Co., Ltd.

10. The Company confirmed that as at the Valuation Date:

    i. Other than mortgage mentioned in Note (4), no encumbrances, liens, pledges, mortgages against the Property;

    ii. No environmental issues such as breach of environmental regulations relating to the Property;

    iii. There were no notices, pending litigation, breach of law or title defects affecting the Property;

    iv. No plans for construction, renovation, improvement or development of the Property; and

    v. No plan to change the use of the Property.

11. We have been provided with a legal opinion on the property prepared by the Company's PRC Legal Advisor, 錦天城律師事務所 (AllBright Law Offices*), which contains, inter alia, the following information:

    i. 普萊醫藥（江蘇）股份有限公司 ProteLight Pharmaceuticals (Jiangsu) Co., Ltd. is the owner of the Property, has legally and validly obtained the land use rights and the building ownership of the property, and has the right to possess, use, lease, transfer, mortgage, or otherwise dispose of the Property in accordance with the law;

    ii. Other than mortgage mentioned in Note (4), the Property is free from any mortgages, pledge, seizing and legal encumbrances which may cause adverse effects on the ownership of the Property;

    iii. the tenancy agreement mentioned in Note (3) is legally binding, valid, enforceable and protected under the PRC law; and

    iv. the following documents were obtained:

        a. State Owned Land Use Rights Grant Contract

        b. Real Estate Ownership Certificate

        c. Maximum Loan Amount Mortgage Contract

        d. Business Licence

        e. Tenancy Agreement

This appendix is intended to provide potential **[REDACTED]** with a summary of the Articles of Association. As the following information is only a summary, it does not contain all the information that may be important to potential **[REDACTED]**.

ISSUE OF SHARES

The issue of the Company's shares shall adhere to the principles of fairness, impartiality and openness, and each share of the same class shall carry the same rights. Shares of the same class issued at the same time shall be issued on the same terms and at the same price; Subscribers shall pay the same price for each share subscribed for. The unlisted domestic shares and H shares issued by the Company shall rank pari passu in any distribution made by way of dividend (including cash and in-kind distributions) or in other forms.

INCREASE OR DECREASE AND REPURCHASE OF SHARES

The Company may, in light of its operational and development needs and in accordance with the provisions of laws and regulations, increase its registered capital in the following ways, by a resolution of the general meeting:

(i) issuing shares to the public upon approval by the relevant authorities;

(ii) issuing shares to specified parties;

(iii) distributing bonus shares to existing shareholders;

(iv) capitalising reserves into share capital;

(v) other methods permitted by laws and administrative regulations and approved by regulatory authorities such as the CSRC and the securities regulatory authorities of the place where the Company's shares are listed.

Where the Company increases its registered capital, it shall, after obtaining approval in accordance with the Articles of Association and the regulations of the place where the Company's shares are listed, follow the procedures stipulated in relevant laws and regulations.

The Company may reduce its registered capital. To reduce its registered capital, the Company shall follow the procedures stipulated in the Company Law, the Hong Kong Stock Exchange Listing Rules, as well as other laws, administrative regulations, normative documents, other securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

The Company shall not acquire its own shares. However, the following circumstances are exceptions, provided that they do not violate the provisions of laws, regulations, the securities regulatory authorities of the place where the Company's shares are listed, the Hong Kong Stock Exchange Listing Rules, and the Articles of Association:

(i) to reduce the Company's registered capital;

(ii) to merge with another company that holds shares in the Company;

(iii) to use the shares for employee share ownership schemes or equity incentive schemes;

(iv) where a shareholder objects to a resolution of the general meeting on the merger or division of the Company and requests that the Company acquire his/her/its shares;

(v) to use the shares for the conversion of corporate bonds issued by the Company that are convertible into shares;

(vi) where it is necessary for the Company to safeguard its value and the rights and interests of its shareholders;

(vii) other circumstances permitted by laws, administrative regulations, departmental rules, normative documents, the Hong Kong Stock Exchange Listing Rules, and other regulatory rules of the place where the Company's shares are listed.

The Company may acquire its own shares through public centralized trading, or by other means approved by laws, administrative regulations and normative documents, the Hong Kong Stock Exchange Listing Rules, other securities regulatory rules of the place where the Company's shares are listed, and the CSRC (if required).

Where the Company acquires its own shares under the circumstances stipulated in items (iii), (v), and (vi) above, such acquisition shall be conducted through public centralized trading, and it shall perform its information disclosure obligations in accordance with relevant regulations.

Where the Company acquires its own shares under the circumstances stipulated in items (i) and (ii) above, it shall be approved by a resolution at a general meeting; Where the Company acquires its own shares under the circumstances stipulated in items (iii), (v), and (vi) above, subject to compliance with the applicable securities regulatory rules of the place where the Company's shares are listed, it shall be approved by a resolution of a Board meeting attended by more than two-thirds of the directors. After acquiring its own shares, the Company shall perform its information disclosure obligations in accordance with the provisions of the Securities Law, the Securities and Futures Ordinance, the regulations of the stock exchange where the Company's shares are listed, and other securities regulatory rules.

After the Company acquires its own shares in accordance with the provisions, if the acquisition falls under item (i), the shares shall be cancelled within ten days from the date of acquisition; if it falls under items (ii) and (iv), the shares shall be transferred or cancelled within six months; if it falls under items (iii), (v) and (vi), the total number of the Company's shares held by the Company shall not exceed 10% of the total number of issued shares of the Company, and such shares shall be transferred or cancelled within three years. If laws, regulations, the Hong Kong Stock Exchange Listing Rules and the securities regulatory authorities of the place where the Company's shares are listed provide otherwise on matters related to share repurchase, such provisions shall prevail.

TRANSFER OF SHARES

Shares issued by the Company before its **[REDACTED]** shall not be transferred within one year from the date on which the Company's shares are listed and traded on a stock exchange. Where laws, administrative regulations, the Hong Kong Stock Exchange Listing Rules or the CSRC provide otherwise for the transfer of the Company's shares held by shareholders and de facto controllers of a listed company, such provisions shall prevail.

Directors and senior management of the Company shall declare to the Company the shares they hold in the Company and any changes thereto. During their term of office, the number of shares transferred by them annually shall not exceed 25% of the total number of shares they hold in the Company; the shares they hold in the Company shall not be transferred within one year from the date on which the Company's shares are listed and traded. Within six months after their departure, the aforementioned persons shall not transfer the shares they hold in the Company. Where shares are pledged during the restricted transfer period stipulated by laws and administrative regulations, the pledgee shall not exercise the pledge right during such restricted transfer period.

Where a shareholder, director, or senior management member holding more than 5% of the Company's shares sells the Company's stock or other equity-like securities held by them within 6 months of purchase, or repurchases them within 6 months of selling, the proceeds therefrom shall belong to the Company, and the Company's Board of Directors shall be responsible for recovering such proceeds. However, an exception is made for a securities firm holding more than 5% of the shares as a result of purchasing unsubscribed shares in an **[REDACTED]**, and for other circumstances stipulated by the CSRC. Where the listing rules and relevant regulatory rules of the place where the Company's shares are listed provide otherwise, such provisions shall prevail. The stocks or other equity-like securities held by the directors, senior management, and natural person shareholders referred to in the preceding paragraph include stocks or other equity-like securities held by their spouses, parents, and children, and those held through others' accounts.

If the Company's Board of Directors fails to act in accordance with the provisions of the preceding paragraph, shareholders have the right to demand that the Board of Directors do so within 30 days. If the Company's Board of Directors fails to act within the aforementioned period, shareholders have the right to file a lawsuit directly with a people's court in their own name for the benefit of the Company. If the Company's Board of Directors fails to act in accordance with the provisions of the preceding paragraph, the responsible directors shall bear joint and several liability in accordance with the law.

FINANCIAL ASSISTANCE FOR ACQUISITION OF COMPANY SHARES

The Company or its subsidiaries (including the Company's affiliates) shall not provide financial assistance in the form of gift, advance, guarantee, loan or otherwise to any person for acquiring shares of the Company or its parent company, save for the Company's implementation of an employee stock ownership plan.

For the benefit of the Company, subject to a resolution of the general meeting, or a resolution of the Board of Directors made in accordance with the Articles of Association or as authorised by the general meeting, the Company may provide financial assistance to any person for acquiring shares of the Company or its parent company, provided that the aggregate amount of such financial assistance shall not exceed ten percent of the total issued share capital. A resolution of the Board of Directors shall be passed by more than two-thirds of all directors.

SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Shareholders

The Company shall establish a register of shareholders based on the credentials provided by the securities registration institution, and the register of shareholders shall be sufficient evidence of the shareholders' holdings of the Company's shares. The principal register of shareholders of H Shares listed in Hong Kong shall be kept in Hong Kong for inspection by shareholders, but the Company may close the register of members in accordance with applicable laws, regulations and the securities regulatory rules of the place where the Company's shares are listed. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold; Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

Shareholders of the Company shall enjoy the following rights:

(i) to receive dividends and other forms of profit distribution in proportion to their shareholdings;

(ii) to request, convene, preside over, attend or appoint a shareholder's proxy to attend a general meeting in accordance with the law, and to exercise the corresponding voting rights;

(iii) to supervise the Company's operations and to make suggestions or inquiries;

(iv) to transfer, gift or pledge the shares they hold in accordance with the provisions of laws, administrative regulations, the Hong Kong Stock Exchange Listing Rules and the Articles of Association;

(v) to inspect and copy the Company's Articles of Association, the register of shareholders, minutes of general meetings, resolutions of Board meetings, and financial and accounting reports, and shareholders who meet the prescribed conditions may inspect the Company's accounting books and vouchers;

(vi) upon the termination or liquidation of the Company, to participate in the distribution of the Company's remaining assets in proportion to their shareholdings;

(vii) to demand that the Company acquire his/her/its shares if he/she/it objects to a resolution of the general meeting on the merger or division of the Company;

(viii) other rights stipulated by laws, administrative regulations, departmental rules, the Hong Kong Stock Exchange Listing Rules, other regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

Shareholders who request to inspect the relevant information or obtain the materials mentioned in the preceding article shall provide the Company with written documents verifying the class and number of shares they hold. The Company shall provide such information or materials upon request after verifying the shareholder's identity, and may charge a reasonable fee for providing copies of the aforementioned data.

A shareholder or shareholders who, individually or jointly, have held 3% or more of the Company's shares for 180 consecutive days or more and request to inspect the Company's accounting books and accounting vouchers, shall submit a written request to the Company, stating the purpose. If the Company has reasonable grounds to believe that a shareholder's inspection of the accounting books and accounting vouchers has an improper purpose and may harm the Company's legitimate interests, it may refuse to provide such inspection and shall reply to the shareholder in writing within 15 days from the date of the shareholder's written request, stating the reasons therefor. If the Company refuses to provide the inspection, the shareholder may file a lawsuit with a people's court.

If the content of a resolution of the Company's general meeting or Board of Directors violates laws and regulations, shareholders have the right to request a people's court to declare it invalid. If the convening procedures or voting methods of a general meeting or Board meeting violate laws and regulations or the Articles of Association, or if the content of a resolution violates the Articles of Association, shareholders have the right, within 60 days from the date the resolution is made, to request a people's court to set it aside. However, this does not apply if the convening procedures or voting methods of the general meeting or Board meeting have only minor flaws that do not have a substantial impact on the resolution.

Where a director (other than a member of the Audit Committee) or a senior management member, in the course of performing his/her duties for the Company, violates the provisions of any laws and regulations or the Articles of Association and thereby causes losses to the Company, any shareholder who has, individually or jointly, held 1% or more of the Company's shares for 180 consecutive days or more shall have the right to request in writing that the Audit Committee file a lawsuit with a people's court; Where a member of the Audit Committee, in the course of performing his/her duties for the Company, violates the provisions of any laws and regulations or the Articles of Association and thereby causes losses to the Company, any shareholder who has, individually or jointly, held 1% or more of the Company's shares for 180 consecutive days or more may request in writing that the Board of Directors file a lawsuit with a people's court.

If the Audit Committee or the Board of Directors refuses to file a lawsuit after receiving the written request from a shareholder as stipulated in the preceding paragraph, or fails to file a lawsuit within 30 days from the date of receiving the request, or if the situation is urgent and not filing a lawsuit immediately would cause irreparable harm to the Company's interests, the shareholder stipulated in the preceding paragraph has the right to file a lawsuit directly with a People's Court in their own name for the benefit of the Company. If others infringe upon the legal rights and interests of the Company, causing losses to the Company, the shareholder stipulated in the preceding paragraph may file a lawsuit with a people's court in accordance with the provisions of the preceding two paragraphs.

Shareholders of the Company shall undertake the following obligations:

(i) to abide by laws, regulations and the Articles of Association;

(ii) to pay for the shares subscribed for in accordance with the subscription and contribution method;

(iii) not to withdraw their share capital, except in circumstances stipulated by laws and regulations;

(iv) not to abuse their shareholder rights to the detriment of the interests of the Company or other shareholders; not to abuse the Company's independent legal personality and the limited liability of shareholders to the detriment of the interests of the Company's creditors;

(v) other obligations to be undertaken as stipulated by laws, administrative regulations, the Hong Kong Stock Exchange Listing Rules, other regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

If a Company shareholder abuses shareholder rights and causes losses to the Company or other shareholders, such shareholder shall be liable for compensation in accordance with the law; If a Company shareholder abuses the Company's independent legal personality and the limited liability of shareholders to evade debts and seriously harms the interests of the Company's creditors, they shall bear joint and several liability for the Company's debts.

A shareholder holding 5% or more of the Company's voting shares who pledges the shares they hold shall make a written report to the Company on the day such event occurs.

Controlling shareholders and De Facto Controllers

The Company's controlling shareholders and de facto controllers shall exercise their rights and perform their obligations in accordance with the provisions of laws, administrative regulations, the Hong Kong Stock Exchange Listing Rules, the CSRC and other regulatory rules of the place where the Company's shares are listed, and safeguard the interests of the listed company.

If the Company's controlling shareholder or de facto controller does not serve as a director of the Company but actually carries out the Company's affairs, the provisions of the Articles of Association regarding the directors' duties of loyalty and diligence shall apply. If the Company's controlling shareholder or de facto controller instructs a director or senior management member to engage in acts that harm the interests of the Company or its shareholders, they shall bear joint and several liability with that director or senior management member.

Where the Company's controlling shareholders or de facto controllers pledge the Company's shares held or actually controlled by them, they shall maintain the control of the Company and the stability of its production and operation. When the Company's controlling shareholders or de facto controllers transfer their shares in the Company, they shall abide by the restrictive provisions on share transfer in laws, administrative regulations, the CSRC and the stock exchange of the place where the Company's shares are listed, and their undertakings on restricting share transfer.

General Provisions for General Meetings

The Company's general meeting is composed of all shareholders. The general meeting is the organ of authority of the Company and shall exercise the following powers in accordance with the law:

(i) to elect and replace directors and to decide on matters concerning the Company's directors' remuneration;

(ii) to consider and approve the report of the Company's Board of Directors;

(iii) to consider and approve the Company's profit distribution plans and loss recovery plans;

(iv) to pass resolutions on the increase or decrease of the Company's registered capital;

(v) to pass resolutions on the Company's issuance of securities or corporate bonds and listing plans;

(vi) to pass resolutions on the merger, division, dissolution, liquidation or change of the Company's form;

(vii) to amend the Articles of Association;

(viii) to pass resolutions on the appointment, removal or non-reappointment of the accounting firm, and to determine its remuneration;

(ix) to consider and approve the guarantee matters stipulated in Article 47 of the Articles of Association;

(x) to consider matters relating to the purchase or sale of material assets by the Company within one year that exceeds 30% of the Company's latest audited total assets;

(xi) to consider and approve matters concerning changes in the use of **[REDACTED]**;

(xii) to consider employee share ownership schemes and equity incentive schemes;

(xiii) to consider matters concerning the acquisition of the Company's shares that are required to be considered by the general meeting as stipulated by laws and regulations, the regulatory rules of the place where the Company's shares are listed, and the Articles of Association;

(xiv) to consider matters concerning connected transactions that are required to be considered by the general meeting as stipulated by laws and regulations, the regulatory rules of the place where the Company's shares are listed, and the Articles of Association;

(xv) to consider other matters that are required to be decided by the general meeting as stipulated by laws, administrative regulations, departmental rules, the Hong Kong Stock Exchange Listing Rules, other securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

The general meeting may authorize the Board of Directors to pass resolutions on the issue of corporate bonds. Unless otherwise stipulated by laws, administrative regulations, departmental rules, and other securities regulatory rules of the place where the Company's shares are listed, the aforementioned powers of the general meeting shall not be delegated to the Board of Directors or other institutions or individuals for exercise.

The following external guarantees to be provided by the Company shall be subject to consideration and approval by the general meeting:

(i) any guarantee provided after the aggregate amount of external guarantees of the Company and its controlled subsidiaries exceeds 50% of its latest audited net assets;

(ii) any guarantee provided where the total amount of the Company's external guarantees would, as a result of such guarantee, exceed 30% of its latest audited total assets;

(iii) any guarantee provided by the Company within one year with an amount exceeding 30% of the Company's latest audited total assets;

(iv) any guarantee provided for a guaranteed party with an asset-liability ratio exceeding 70%;

(v) any single guarantee with an amount exceeding 10% of the Company's latest audited net assets;

(vi) any guarantee provided to shareholders, de facto controllers and their connected parties;

(vii) other guarantee circumstances that are required to be considered by the general meeting as stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, or other normative documents.

Other external guarantee matters that do not meet the above standards shall be subject to the approval of the Board of Directors. For guarantee matters within the authority of the Board of Directors, in addition to being approved by a majority of all directors, they must also be approved by more than two-thirds of the directors present at the Board meeting.

When the general meeting considers a proposal for a guarantee to be provided to a shareholder, a de facto controller or their connected parties, such shareholder or shareholders controlled by that de facto controller shall not participate in the voting on such item, and the resolution on such item shall be passed by more than half of the voting rights held by the other shareholders present at the general meeting.

General meetings are divided into annual general meetings and extraordinary general meetings. An annual general meeting shall be held once a year and within six months after the end of the previous financial year.

The Company shall convene an extraordinary general meeting within 2 months from the date of the occurrence of any of the following circumstances:

(i) when the number of directors is less than the number required by the Company Law or two-thirds of the number specified in the Articles of Association;

(ii) when the Company's unrecovered losses amount to 1/3 of the total share capital;

(iii) upon the request of a shareholder or shareholders holding, individually or jointly, 10% or more of the Company's shares;

(iv) when the Board of Directors deems it necessary;

(v) when the Audit Committee proposes to convene a meeting;

(vi) other circumstances stipulated by laws, administrative regulations, departmental rules, the Hong Kong Stock Exchange Listing Rules, other securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

Convening of General Meetings

The Board of Directors shall convene the general meeting on time within the prescribed period. With the consent of more than half of all independent non-executive directors, the independent non-executive directors have the right to propose to the Board of Directors that an extraordinary general meeting be convened. In response to a proposal from independent non-executive directors to convene an extraordinary general meeting, the Board of Directors shall, in accordance with the provisions of laws and regulations, the Hong Kong Stock Exchange Listing Rules, other securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, provide a written response agreeing or disagreeing to convene the extraordinary general meeting within 10 days of receiving the proposal. If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice of the general meeting within 5 days of the Board's resolution; If the Board of Directors disagrees to convene an extraordinary general meeting, it shall explain the reasons.

The Audit Committee has the right to propose to the Board of Directors to convene an extraordinary general meeting, and shall submit such proposal to the Board of Directors in writing. The Board of Directors shall, in accordance with the provisions of laws and regulations and the Articles of Association, provide a written response on whether to convene an extraordinary general meeting within 10 days of receiving the proposal. If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice of the general meeting within 5 days of the Board's resolution, and if the notice involves any changes to the original proposal, the consent of the Audit Committee shall be obtained before the notice is issued. If the Board of Directors disagrees to convene an extraordinary general meeting, or fails to respond within 10 days of receiving the proposal, the Board of Directors shall be deemed unable or failing to perform its duty to convene the general meeting, and the Audit Committee may convene and preside over the meeting on its own.

A shareholder or shareholders holding, individually or jointly, 10% or more of the Company's shares have the right to request the Board of Directors to convene an extraordinary general meeting, and shall submit such request to the Board of Directors in writing. The Board of Directors shall, in accordance with the provisions of laws and regulations, the Hong Kong Stock Exchange Listing Rules, other securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, provide a written response on whether to convene an extraordinary general meeting within 10 days of receiving the request. If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice of the general meeting within 5 days of the Board's resolution, and if the notice involves any changes to the shareholder's original request, the consent of the relevant shareholders shall be obtained before the notice is issued. If the Board of Directors disagrees to convene an extraordinary general meeting, or fails to respond within 10 days of receiving the request, a shareholder or shareholders holding, individually or jointly, 10% or more of the Company's shares have the right to propose to the Audit Committee that an extraordinary general meeting be convened, and shall submit the request to the Audit Committee in writing. The Audit Committee shall, in accordance with the provisions of laws and regulations, the Hong Kong Stock Exchange Listing Rules, other securities regulatory rules of the place where the Company's shares are listed, and the Articles of

Association, provide a written response on whether to convene an extraordinary general meeting within 10 days of receiving the request. If the Audit Committee agrees to convene an extraordinary general meeting, it shall issue a notice of the general meeting within 5 days of receiving the request, and any changes to the original proposal in the notice shall be subject to the consent of the relevant shareholders. If the Audit Committee disagrees to convene an extraordinary general meeting, or fails to respond within 10 days of receiving the request, it shall be deemed that the Audit Committee will not convene and preside over the general meeting, and a shareholder or shareholders holding, individually or jointly, 10% or more of the Company's shares for 90 consecutive days or more may convene and preside over the meeting on their own.

If the Audit Committee or shareholders decide to convene a general meeting on their own, they must notify the Board of Directors in writing. Where the securities regulatory rules of the place where the Company's shares are listed provide otherwise, such provisions shall prevail, provided that they do not violate domestic laws, administrative regulations, and the Articles of Association. Before the voting results of the general meeting are announced, the shareholding ratio of the convening shareholder(s), individually or jointly, in the Company shall not be less than 10%. Where the securities regulatory rules of the place where the Company's shares are listed provide otherwise regarding the issuance of the notice of the general meeting and the announcement of the voting results by the Audit Committee or the convening shareholder(s), such provisions shall prevail, provided that they do not violate domestic laws, administrative regulations, and the Articles of Association.

Proposals and Notices of General Meetings

When the Company convenes a general meeting, the Board of Directors, the Audit Committee, and shareholders holding, individually or jointly, 1% or more of the Company's shares have the right to submit proposals to the Company.

Subject to the provisions of the Hong Kong Stock Exchange Listing Rules, a shareholder or shareholders holding, individually or jointly, 1% or more of the Company's shares may submit an extraordinary proposal in writing to the convener 10 days before the general meeting is held. An extraordinary proposal shall have a clear topic and specific matters for resolution. The convener shall, within 2 days of receiving the proposal, issue a supplementary notice of the general meeting to announce the content of the extraordinary proposal and submit such extraordinary proposal to the general meeting for consideration. This shall not apply if the extraordinary proposal is in violation of laws and regulations, the Hong Kong Stock Exchange Listing Rules, other securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association, or if the subject matter of the proposal does not fall within the scope of powers of the general meeting. Before a resolution is made at the general meeting, the shareholding of the shareholder(s) who submitted the extraordinary proposal, individually or jointly, in the Company shall not be less than 1%. Regarding the issuance of a supplemental notice of a general meeting, if the securities regulatory rules of the place where the Company's shares are listed have special provisions, such provisions shall prevail, provided that they do not violate the Company Law and the Securities Law. If a general meeting is required to be adjourned due to the issuance of a supplemental notice of general meeting under the securities regulatory rules of the place of the Company's listing, the holding of the general meeting shall be adjourned in accordance with such rules.

Except in the circumstances stipulated in the preceding paragraph or as required by the Hong Kong Stock Exchange Listing Rules, the convener shall not amend the proposals already listed in the notice of the general meeting or add new proposals after issuing the notice of the general meeting. Proposals not listed in the notice of the general meeting or not in compliance with the provisions of the Articles of Association shall not be voted on or resolved at the general meeting.

For convening an annual general meeting, the convener shall notify each shareholder of the time, place and matters to be considered at the meeting 21 days before the meeting is held; for an extraordinary general meeting, each shareholder shall be notified 15 days before the meeting is held. Where laws, regulations and the securities regulatory authorities of the place where the Company's shares are listed provide otherwise, such provisions shall prevail.

The notice of a general meeting shall be in writing and shall include the following:

(i) the time, place and duration of the meeting;

(ii) the matters and proposals to be considered at the meeting;

(iii) a clear statement that all shareholders, including ordinary shareholders and shareholders holding shares with special voting rights, have the right to attend the general meeting and may appoint a proxy in writing to attend the meeting and vote, and that such proxy need not be a shareholder of the Company;

(iv) the share registration date for shareholders entitled to attend the general meeting;

(v) the name, telephone number and address of the permanent contact person for meeting affairs;

(vi) the time and procedures for voting by network or other means;

(vii) the time and place for lodging the proxy form for the meeting;

(viii) other requirements stipulated by laws, administrative regulations, the Hong Kong Stock Exchange Listing Rules, other securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

After the notice of a general meeting has been issued, the meeting shall not be postponed or cancelled without a valid reason, and the proposals listed in the notice of the general meeting shall not be cancelled. In the event of a postponement or cancellation, the convener shall notify each shareholder and explain the reasons at least 2 working days before the originally scheduled date of the meeting. Where the securities regulatory rules of the place where the Company's shares are listed have special provisions on the procedures for postponing or cancelling a general meeting, such provisions shall prevail, provided that they do not violate the Company Law and the Securities Law.

Convening of the General Meeting

All shareholders registered on the share registration date or their proxies are entitled to attend the general meeting, and to speak and exercise voting rights at the general meeting in accordance with relevant laws, regulations, the Hong Kong Stock Exchange Listing Rules and the Articles of Association. A shareholder may attend the general meeting in person or entrust a proxy to attend and vote on their behalf.

If the general meeting requires directors and senior management to attend the meeting, they shall attend and accept inquiries from shareholders. Directors and senior management shall, at the general meeting, provide explanations and clarifications in response to shareholders' inquiries and suggestions.

The general meeting shall be presided over by the chairman of the Board. If the chairman is unable or fails to perform his/her duties, the meeting shall be presided over by a director jointly elected by more than half of the directors. A general meeting convened by the Audit Committee on its own initiative shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee is unable or fails to perform his/her duties, the meeting shall be presided over by a member jointly elected by more than half of the members of the Audit Committee. A general meeting convened by shareholders on their own initiative shall be presided over by a representative elected by the convener. When a general meeting is held, if the chairman of the meeting violates the rules of procedure for general meetings, making it impossible for the general meeting to continue, the general meeting may, with the consent of shareholders present holding a majority of the voting rights, elect a person to act as the chairman of the meeting and continue the meeting.

The Company shall formulate rules of procedure for general meetings to specify in detail the procedures for holding and voting at general meetings, including notice, registration, consideration of proposals, voting, vote counting, announcement of voting results, formation of meeting resolutions, meeting minutes and their signing, and public announcements, as well as the principles for authorisation granted by the general meeting to the Board of Directors, the content of which shall be clear and specific. The rules of procedure for general meetings shall be an appendix to the Company's Articles of Association, formulated by the Board of Directors and approved by the general meeting.

Voting and Resolutions of the General Meeting

Resolutions of the general meeting are classified into ordinary resolutions and special resolutions. An ordinary resolution of the general meeting shall be passed by more than half of the voting rights held by the shareholders (including their proxies) present at the general meeting. A special resolution of the general meeting shall be passed by not less than two-thirds of the voting rights held by the shareholders (including their proxies) present and entitled to vote at the meeting.

The following matters shall be passed by an ordinary resolution at a general meeting:

(i) the work report of the Board of Directors;

(ii) the profit distribution plans and loss recovery plans proposed by the Board of Directors;

(iii) the appointment and removal of members of the Board of Directors (including the removal of a director before the expiration of his/her term of office, but such removal shall be without prejudice to any claim for damages such director may have under any contract), and their remuneration and payment methods;

(iv) the Company's annual report;

(v) to pass resolutions on the Company's appointment, removal or non-reappointment of the accounting firm and its remuneration;

(vi) any other matters except for those required to be passed by a special resolution under laws, administrative regulations, the Hong Kong Stock Exchange Listing Rules, other securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

The following matters shall be passed by a special resolution at the general meeting:

(i) an increase or decrease in the Company's registered capital;

(ii) the division, spin-off, merger, dissolution and liquidation of the Company;

(iii) amendments to the Articles of Association;

(iv) the purchase or disposal of material assets or provision of guarantees by the Company within one year in an amount exceeding 30% of the Company's latest audited total assets;

(v) equity incentive plan;

(vi) other matters that are required by laws, administrative regulations, the Hong Kong Stock Exchange Listing Rules, other securities regulatory rules of the place where the Company's shares are listed or the Articles of Association to be passed by a special resolution, and any matter which is determined by an ordinary resolution at a general meeting to have a material impact on the Company and requires approval by a special resolution.

All shares held by the Company's shareholders are ordinary shares with no special voting rights. Shareholders (including their proxies) shall exercise their voting rights in proportion to the number of voting shares they represent, and each share shall carry one vote.

When the general meeting considers material matters affecting the interests of small and medium-sized investors, the votes of such small and medium-sized investors shall be counted separately. The results of the separate vote count shall be publicly disclosed in a timely manner.

The shares of the Company held by the Company itself shall have no voting rights and such shares shall not be included in the total number of voting shares represented at a general meeting. Where a shareholder's purchase of the Company's voting shares violates the provisions of Article 63, paragraphs 1 and 2 of the Securities Law (this shall not apply in the absence of mandatory provisions under the listing rules and relevant regulatory rules of the place where the Company's shares are listed),

the shares held in excess of the specified proportion shall not carry any voting rights for a period of thirty-six months from the date of purchase and shall not be counted towards the total number of voting shares represented at a general meeting.

Pursuant to applicable laws and regulations, the Hong Kong Stock Exchange Listing Rules, and other securities regulatory rules of the place where the Company's shares are listed, if any shareholder is required to abstain from voting on a resolution, or is restricted to voting only for (or against) a resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted towards the total number of voting shares. The Board of Directors, independent non-executive directors, and shareholders holding 1% or more of the voting shares, or investor protection institutions established in accordance with laws, administrative regulations, the provisions of the securities regulatory authorities of the place where the Company's shares are listed or the CSRC may solicit shareholders' voting rights. The solicitation of shareholders' voting rights shall fully disclose information such as the specific voting intention to the persons being solicited. Soliciting shareholders' voting rights for consideration or in a disguised form for consideration is prohibited. Except under statutory conditions, the Company shall not impose a minimum shareholding requirement for the solicitation of voting rights.

Board of Directors

Directors

Directors are divided into executive Directors, non-executive Directors and independent non-executive Directors.

Directors of the Company shall be natural persons. No one shall serve as a director of the Company if any of the following circumstances exists:

(i) a person with no or limited capacity for civil conduct;

(ii) having been sentenced to criminal penalties for corruption, bribery, embezzlement or misappropriation of property, or for disrupting the order of the socialist market economy, or having been deprived of political rights for a crime, where not more than 5 years have elapsed since the expiry of the enforcement period, or having been given a suspended sentence where not more than 2 years have elapsed since the expiry of the probation period;

(iii) a person who served as a director, factory manager or general manager of a company or enterprise which is under bankruptcy liquidation and was personally liable for the bankruptcy of such company or enterprise, where not more than 3 years have elapsed since the completion of the bankruptcy liquidation of such company or enterprise;

(iv) a person who served as the legal representative of a company or enterprise whose business license was revoked or which was ordered to close down for violation of law, and was personally liable therefor, where not more than 3 years have elapsed since the date of such revocation or closing down;

(v) a person who has an overdue and outstanding personal debt of a substantial amount and has been listed as a person subject to enforcement for breach of trust by a People's Court;

(vi) being subject to a securities market ban imposed by a securities regulatory authority, the period of which has not yet expired;

(vii) any other circumstances that disqualify a person from serving as a director of the Company as stipulated by laws, administrative regulations, the Hong Kong Stock Exchange Listing Rules, other securities regulatory rules of the place where the Company's shares are listed, or departmental rules.

If a director is elected or appointed in violation of this article, such election, appointment or engagement shall be invalid. If any of the circumstances described in this article arises during a director's term of office, the Company shall remove such director from his/her duties.

Directors who are not employee representatives are elected or replaced by the general meeting, and may be removed from office by the general meeting before the expiration of their term. A director shall serve for a term of 3 years and shall be eligible for re-election upon the expiration of his/her term of office in accordance with the securities regulatory rules of the place where the Company's shares are listed.

A director's term of office shall commence on the date of his/her assumption of office and expire upon the end of the term of the then current session of the Board of Directors. If a director is not re-elected in a timely manner upon the expiration of his/her term of office, or if the resignation of a director during his/her term of office causes the number of board members to fall below the statutory number, the original director shall continue to perform his/her duties as a director in accordance with the provisions of laws, administrative regulations, departmental rules and the Articles of Association until the newly elected director takes office.

Without prejudice to the relevant laws, regulations and regulatory rules of Hong Kong, if the Board of Directors (if permitted by applicable laws and regulations) appoints a new director to fill a casual vacancy on the Board or to increase the number of directors on the Board, the term of office of the appointed director shall last only until the first annual general meeting of the Company following his/her appointment, and he/she shall be eligible for re-election.

Directors may concurrently hold positions as senior management personnel, provided that the aggregate number of directors who are also senior management personnel and directors who are employee representatives shall not exceed one-half of the total number of directors of the Company.

A director owes the following duties of diligence to the Company:

(i) shall exercise the rights granted by the Company prudently, conscientiously and diligently to ensure that the Company's business activities do not exceed the scope of business specified in its business license;

(ii) shall treat all shareholders fairly;

(iii) shall keep abreast of the Company's business operations and management status;

(iv) shall sign a written confirmation on the Company's periodic reports to ensure that the information disclosed by the Company is true, accurate and complete;

(v) shall provide relevant information and materials to the Audit Committee truthfully and shall not obstruct the Audit Committee from exercising its powers and functions;

(vi) other duties of diligence stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

A director may resign before the expiration of his/her term of office. A director who resigns shall submit a written resignation report to the Board of Directors. If, as a result of a director's resignation, the number of members of the Company's Board of Directors and its special committees falls below the statutory minimum, the original director shall continue to perform his/her duties as a director in accordance with the provisions of laws and regulations and the Articles of Association until the newly elected director takes office. The director's resignation report shall take effect only after a successor director fills the vacancy arising from his/her resignation. Except for the circumstances set out in the preceding paragraph, a director's resignation shall take effect when the resignation report is delivered to the Board of Directors.

Unless provided for in the Company's Articles of Association or legally authorized by the Board of Directors, no director shall act on behalf of the Company or the Board of Directors in his/her personal capacity. When a director acts in his/her personal capacity, if a third party would reasonably believe that the director is acting on behalf of the Company or the Board of Directors, the director shall declare his/her position and identity in advance.

The Company shall have independent non-executive directors. Matters concerning their qualifications for office, nomination and election procedures, term of office, resignation and powers shall be governed by the relevant provisions of laws, administrative regulations, departmental rules, and the regulatory rules of the place where the Company's shares are listed.

Board of Directors

The Company shall establish a Board of Directors. The Board of Directors shall consist of nine directors. The Company shall have one chairman of the Board, who shall be elected by the affirmative vote of more than half of all Directors. Members of the Board of Directors shall be elected by the general meeting in accordance with the law. Directors are divided into executive Directors, non-executive Directors and independent non-executive Directors. There shall be at least three independent non-executive Directors, representing at least one-third of the total number of Directors on the Board. At least one independent non-executive Director must possess appropriate professional qualifications as required by regulatory rules such as the Hong Kong Stock Exchange Listing Rules, or appropriate accounting or relevant financial management expertise, and at least one independent non-executive Director must be ordinarily resident in Hong Kong.

The Board of Directors shall exercise the following powers and functions:

(i) to convene general meetings and to report on its work to the general meetings;

(ii) to implement the resolutions of the general meetings;

(iii) to decide on the Company's business plans and investment proposals;

(iv) to formulate the Company's profit distribution plans and loss recovery plans;

(v) to formulate proposals for increasing or reducing the Company's registered capital, issuing bonds or other securities, and listing;

(vi) subject to compliance with the provisions of the securities regulatory rules of the place where the Company's shares are listed, to formulate proposals for major acquisitions, repurchase of the Company's shares, or merger, division, dissolution and change of corporate form of the Company;

(vii) subject to compliance with the provisions of the securities regulatory rules of the place where the Company's shares are listed and within the scope of authorization from the general meeting, to decide on matters such as the Company's external investments, purchase and sale of assets (including but not limited to land, buildings, equipment, production lines, and equity stakes), mortgage of assets, external guarantees, entrusted wealth management, connected transactions, and external donations;

(viii) to decide on the establishment of the Company's internal management structure;

(ix) to decide on the appointment or dismissal of the Company's general manager, secretary to the Board of Directors and other senior management personnel, and to determine their remuneration, rewards and penalties; based on the nomination of the general manager, to decide on the appointment or dismissal of the Company's deputy general managers, chief financial officer and other senior management personnel, and to decide on their remuneration, rewards and penalties;

(x) to formulate the basic management system of the Company;

(xi) to formulate proposals for amendments to the Company's Articles of Association;

(xii) to manage the Company's information disclosure matters;

(xiii) to propose to the general meeting the appointment or replacement of the accounting firm for the Company's audit;

(xiv) to hear the work reports of the Company's general manager and to inspect the general manager's work;

(xv) other powers and functions granted by laws, administrative regulations, departmental rules, the Hong Kong Stock Exchange Listing Rules, other securities regulatory rules of the place where the Company's shares are listed, the Articles of Association or the general meeting.

Matters exceeding the scope of authorization granted by the general meeting shall be submitted to the general meeting for deliberation.

Board meetings are divided into regular meetings and interim meetings. The Board of Directors shall hold at least four meetings each year, to be convened by the chairman, and for regular Board meetings, at least 14 days' prior written notice shall be given to all directors.

Shareholders representing one-tenth or more of the voting rights, one-third or more of the Directors, or the Audit Committee may propose to convene an extraordinary Board meeting. The chairman of the Board shall convene and preside over a Board meeting within 10 days of receiving the proposal.

A meeting of the Board of Directors shall not be held unless more than half of the directors are present. A resolution of the Board of Directors must be passed by more than half of all directors. Voting on resolutions of the Board of Directors shall be conducted on the basis of one vote per person.

If a director has a related (connected) relationship with an enterprise or individual involved in a matter to be resolved at a Board meeting, the director shall promptly report this to the Board in writing. A related (connected) director shall not exercise voting rights on such resolution, nor shall he act as a proxy for other directors to exercise voting rights. Such Board meeting may be held if attended by more than half of the non-connected directors, and any resolution made at the Board meeting must be passed by more than half of the non-connected directors. If the number of non-related (connected) directors attending a Board meeting is less than 3, the matter shall be submitted to the general meeting for deliberation. If laws, regulations and the securities regulatory rules of the place where the Company's shares are listed impose any additional restrictions on the participation of directors in Board meetings and voting, such provisions shall prevail.

The Company's Board of Directors shall establish specialised committees such as an Audit Committee, a Nomination Committee, and a Remuneration Committee, which shall perform their duties in accordance with laws and regulations, the securities regulatory rules of the place where the Company's shares are listed, the Articles of Association, and the authorization of the Board of Directors. Proposals from the specialised committees shall be submitted to the Board of Directors for deliberation and decision. The rules of procedure for the specialised committees shall be formulated by the Board of Directors. The Audit Committee, Remuneration Committee and Nomination Committee must be composed of a majority of independent non-executive Directors. The convener (i.e., chairman) of the Audit Committee and the Remuneration Committee must be an independent non-executive Director. The convener (and chairman) of the Nomination Committee must be the chairman of the Board or an independent non-executive Director.

Senior Management

The Company shall have one general manager, a number of deputy general managers and other senior management personnel, who shall be appointed or dismissed by the Board of Directors.

The provisions of the Articles of Association regarding circumstances disqualifying a person from serving as a director shall also apply to senior management. The provisions of the Articles of Association regarding the duties of loyalty and diligence of directors shall also apply to senior management.

The general manager shall be responsible to the Board of Directors and exercise the following powers and functions:

(i) to preside over the production, operation and management of the Company, to organise and implement the resolutions of the Board of Directors, and to report to the Board of Directors on their work;

(ii) to organise and implement the Company's annual business plans and investment proposals;

(iii) to formulate proposals for the establishment of the Company's internal management structure;

(iv) to formulate the Company's basic management system;

(v) to formulate the Company's specific rules and regulations;

(vi) to propose to the Board of Directors the appointment or dismissal of the Company's deputy general managers and chief financial officer;

(vii) to decide on the appointment or dismissal of management personnel other than those who should be appointed or dismissed by the Board of Directors;

(viii) other powers and functions granted by the Articles of Association or the Board of Directors.

The general manager shall attend meetings of the Board of Directors as a non-voting member.

The senior management of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all its shareholders. If the senior management of the Company, due to failure to faithfully perform their duties or a breach of the duty of good faith, cause damage to the interests of the Company, they shall be liable for compensation in accordance with the law.

FINANCIAL ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT

Financial and Accounting System

The Company shall formulate its financial and accounting system in accordance with laws and regulations and the provisions of relevant state departments. Where the securities regulatory authorities of the place where the Company's shares are listed provide otherwise, such provisions shall prevail.

The Company shall prepare its annual financial and accounting reports within 4 months from the end of each financial year and its interim financial and accounting reports within 2 months from the end of the first 6 months of each financial year. The aforesaid financial and accounting reports shall be prepared and disclosed in accordance with the provisions of relevant laws, administrative regulations, departmental rules, the Hong Kong Stock Exchange Listing Rules and other securities regulatory rules of the place where the Company's shares are listed.

The Company shall not keep any other accounting books in addition to the statutory accounting books. The assets of the Company shall not be deposited in an account opened in the name of any individual.

PROFIT DISTRIBUTION

When distributing its after-tax profits for the current year, the Company shall set aside 10% of its profits for the Company's statutory reserve fund. If the accumulated amount of the Company's statutory common reserve fund exceeds 50% of the Company's registered capital, no further appropriation is required. If the Company's statutory reserve fund is not sufficient to make up for the losses of previous years, the profits of the current year shall first be used to make up for the losses before the statutory reserve fund is appropriated in accordance with the preceding paragraph.

After appropriating the statutory common reserve fund from its after-tax profits, the Company may, upon a resolution of the general meeting, also appropriate a discretionary common reserve fund from its after-tax profits. The after-tax profit of the Company remaining after making up for losses and making appropriations to the common reserve fund shall be distributed to shareholders in proportion to their respective shareholdings, save as otherwise provided for in laws and regulations, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association. Where the general meeting distributes profits to shareholders in violation of the PRC Company Law, such shareholders shall return to the Company the profits so distributed. The shares of the Company held by the Company itself shall not participate in profit distribution. The Company shall appoint one or more receiving agents in Hong Kong for the holders of its H Shares. The receiving agent(s) shall, on behalf of the relevant holders of H Shares, receive and hold in custody dividends and other amounts

payable by the Company in respect of the H Shares, pending payment to such H Share holders. The receiving agent(s) appointed by the Company shall meet the requirements of the laws, regulations and securities regulatory rules of the place where the Company's shares are listed.

The company's common reserve fund shall be used to make up for the company's losses, expand the company's production and operation, or be converted into an increase in the company's capital. To make up for the Company's losses with the reserve fund, the discretionary reserve fund and the statutory reserve fund shall be used first; if they are still insufficient, the capital reserve may be used in accordance with the regulations. When the statutory reserve fund is converted to increase the registered capital, the remaining amount of such reserve fund shall not be less than 25% of the Company's registered capital before the conversion.

The Company's cash dividend policy aims for stable and growing dividends. Provided that the conditions for profit distribution are met, the Company may distribute dividends in cash, shares, or a combination of cash and shares. Cash dividends shall have priority over share dividends. When the Company's audit report for the most recent year is a modified opinion, or an unmodified opinion with a paragraph on material uncertainty related to going concern, the Company may not distribute profits.

Internal Audit

The Company shall implement an internal audit system, specifying the leadership structure, duties and powers, staffing, funding guarantees, application of audit results, and accountability for internal audit work.

The Company's internal audit department shall supervise and inspect matters such as the Company's business activities, risk management, internal control, and financial information. The internal audit department shall maintain its independence, be staffed with full-time audit personnel, and shall not be placed under the leadership of the finance department or be co-located with it. The internal audit department is responsible to the Board of Directors. In the process of supervising and inspecting the Company's business activities, risk management, internal control, and financial information, the internal audit department shall accept the supervision and guidance of the Audit Committee. If the internal audit department discovers any relevant major issues or leads, it shall immediately report them directly to the Audit Committee.

Appointment of Accounting Firm

The Company shall engage an independent accounting firm that meets the requirements of the Securities Law, the Hong Kong Stock Exchange Listing Rules, other applicable laws and regulations, and other regulatory provisions of the place where the Company's shares are listed to conduct business such as auditing financial statements, verifying net assets, and providing other related consulting services. The term of appointment is 1 year and is renewable.

The Company shall provide the engaged accounting firm with truthful and complete accounting vouchers, accounting books, financial and accounting reports and other accounting materials, and shall not refuse, conceal or make false statements.

The audit fees of the accounting firm shall be decided by the general meeting.

When the Company dismisses or does not re-engage an accounting firm, it shall give 7 days' prior notice to the accounting firm. When the Company's general meeting votes on the dismissal of the accounting firm, the accounting firm shall be allowed to state its opinion. If an accounting firm proposes to resign, it shall explain to the general meeting whether there are any improprieties on the part of the Company.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase and Capital Reduction

A merger of companies may take the form of a merger by absorption or a merger by new establishment. A merger in which one company absorbs another is a merger by absorption, and the absorbed company is dissolved. A merger in which two or more companies merge to form a new company is a merger by new establishment, and the merging parties are dissolved.

For a merger of the Company, a merger agreement shall be signed by the merging parties, and a balance sheet and a list of assets shall be prepared. The Company shall, within 10 days from the date on which the merger resolution is made, notify its creditors, and shall, within 30 days, make a public announcement in a newspaper or on the National Enterprise Credit Information Publicity System. Creditors may, within 30 days from the date of receiving the notice, or for those who have not received the notice, within 45 days from the date of the public announcement, request the Company to repay its debts or provide a corresponding guarantee.

In the event of a merger of the Company, the claims and debts of the merging parties shall be succeeded by the surviving company after the merger or the newly established company.

In the event of a division of the Company, its assets shall be divided accordingly. For a division of the Company, a balance sheet and a list of assets shall be prepared. The Company shall, within 10 days from the date on which the division resolution is made, notify its creditors, and shall, within 30 days, make a public announcement in a newspaper or on the National Enterprise Credit Information Publicity System. The debts of the Company prior to the division shall be borne jointly and severally by the companies existing after the division. However, this shall not apply where a written agreement reached between the Company and its creditors regarding the repayment of debts prior to the division provides otherwise.

When the Company reduces its registered capital, it shall prepare a balance sheet and a list of assets. The Company shall, within 10 days from the date on which the resolution for registered capital reduction is made by the general meeting, notify its creditors, and shall, within 30 days, make a public announcement in a newspaper or on the National Enterprise Credit Information Publicity System. Creditors shall, within 30 days from the date of receiving the notice, or for those who have not received the notice, within 45 days from the date of the public announcement, have the right to demand the Company to repay its debts or provide a corresponding guarantee.

The Company's registered capital after a capital reduction shall not be less than the statutory minimum amount.

In the event of a merger or division of the Company, if there is a change in the registered matters, an application for registration of such change shall be made to the company registration authority in accordance with the law; If the Company is dissolved, an application for cancellation of the Company's registration shall be made in accordance with the law; If a new company is established, an application for registration of the establishment of the company shall be made in accordance with the law. If the Company increases or reduces its registered capital, an application for registration of such change shall be made to the company registration authority in accordance with the law.

Dissolution and Liquidation

The Company shall be dissolved for the following reasons:

(i) the term of operation stipulated in the Articles of Association expires or other grounds for dissolution stipulated in the Articles of Association arise;

(ii) a resolution for dissolution is passed by the general meeting;

(iii) dissolution is required due to a merger or division of the Company;

(iv) its business license is revoked, it is ordered to close down or it is cancelled in accordance with the law;

(v) if the Company encounters serious difficulties in its operation and management, and its continued existence would cause substantial losses to the shareholders' interests, which cannot be resolved through other means, shareholders holding 10% or more of all the voting rights of the Company may request a People's Court to dissolve the Company.

Where the grounds for dissolution stipulated in the preceding paragraph arise for the company, it shall, within ten days, publicise the grounds for dissolution through the National Enterprise Credit Information Publicity System.

If the Company is dissolved due to the provisions of items (i), (ii), (iv) and (v) above, it shall be liquidated. The directors are the persons responsible for the liquidation of the Company and shall form a liquidation panel to carry out the liquidation within 15 days from the date on which the grounds for dissolution arise. The liquidation committee shall be composed of directors, unless otherwise provided in the Articles of Association or other persons are elected by a resolution of the general meeting. If the persons responsible for liquidation fail to perform their liquidation obligations in a timely manner, causing losses to the Company or its creditors, they shall be liable for compensation.

Where the Company is subject to the circumstances described in items (i) and (ii) above, and has not yet distributed its assets to the shareholders, it may continue to exist by amending the Articles of Association or through a resolution of the general meeting. The amendment of the Company's Articles of Association or passing a resolution by the general meeting in accordance with the preceding paragraph shall be subject to the approval by more than two-thirds of the voting rights held by the shareholders present at the general meeting.

The liquidation panel shall, within 10 days from the date of its establishment, notify the creditors, and shall, within 60 days, make a public announcement in a newspaper or on the National Enterprise Credit Information Publicity System. Creditors shall, within 30 days from the date of receiving the notice, or for those who have not received the notice, within 45 days from the date of the public announcement, declare their claims to the liquidation panel. When declaring their claims, creditors shall explain the relevant matters of the claims and provide supporting materials. The liquidation committee shall register the claims. During the period for declaration of claims, the liquidation committee shall not make repayments to creditors.

After the liquidation committee has cleared up the Company's assets and prepared the balance sheet and the list of assets, it shall formulate a liquidation plan and submit it to the general meeting or the people's court for confirmation. The remaining assets of the Company, after paying, in sequence, the liquidation expenses, employees' wages, social insurance premiums and statutory compensation, the taxes owed, and repaying the Company's debts, shall be distributed by the Company to the shareholders in proportion to their respective shareholdings. During the liquidation period, the company shall continue to exist, but shall not engage in any business activities unrelated to the liquidation. The Company's assets shall not be distributed to the shareholders before being used for repayment in accordance with the preceding paragraph.

After the liquidation committee has cleared up the Company's assets and prepared the balance sheet and the list of assets, if it discovers that the Company's assets are insufficient to repay its debts, it shall apply to the people's court for bankruptcy liquidation in accordance with the law. After the people's court has accepted the bankruptcy application, the liquidation committee shall hand over the liquidation affairs to the bankruptcy administrator designated by the people's court.

Upon the conclusion of the company's liquidation, the liquidation panel shall prepare a liquidation report, submit it to the general meeting or the people's court for confirmation, and submit it to the company registration authority to apply for the cancellation of the company's registration. If the Company is declared bankrupt in accordance with the law, bankruptcy liquidation shall be implemented in accordance with the laws on enterprise bankruptcy.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend its Articles of Association under any of the following circumstances:

(i) after the PRC Company Law or relevant laws and regulations, the Hong Kong Stock Exchange Listing Rules and other securities regulatory rules of the place where the Company's shares are listed are amended, the matters stipulated in the Articles of Association are in conflict with the provisions of the amended laws and regulations, the Hong Kong Stock Exchange Listing Rules and other securities regulatory rules of the place where the Company's shares are listed;

(ii) the circumstances of the Company have changed, such that they are inconsistent with the matters recorded in the Articles of Association;

(iii) the general meeting resolves to amend the Articles of Association.

Any amendment to the Articles of Association approved by a resolution of the general meeting that is subject to examination and approval by the competent authorities shall be submitted to the competent authorities for approval; if it involves matters subject to registration by the Company, the change of registration shall be effected in accordance with the law.

The Board of Directors shall amend the Company's Articles of Association in accordance with the resolutions of the general meeting to amend the Articles of Association and the approval opinions of the relevant competent authorities.

If the amendment to the Articles of Association involves information required to be disclosed by laws, regulations, or the securities regulatory rules of the place where the Company is listed, it shall be announced as required.

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Establishment of Our Company

Our Company was established as a limited liability company in the PRC on April 8, 2009 and was converted into a joint stock limited company on January 29, 2026. As of the Latest Practicable Date, the registered share capital of our Company is RMB51,533,475. Immediately prior to the **[REDACTED]**, the ordinary Shares of the Company will be split on a one-for-two basis, and the nominal value of the Shares will be changed from RMB1.0 each to RMB0.50 each. Immediately after the Share Split but prior to the completion of the **[REDACTED]**, the registered share capital of the Company will be RMB51,533,475 with 103,066,950 Shares.

Our registered office and head office are located at No. 1 Anquan Road, Jiangyin City, Jiangsu Province, PRC. Accordingly, our Company's corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in "Summary of the Articles of Association" in Appendix IV to this Document.

Our Company has established a place of business in Hong Kong at 46/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong and has been registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on February 25, 2026. Ms. Wong Mei Fung Carrie, one of our joint company secretaries, has been appointed as the authorized representative of our Company for the acceptance of the service of process on behalf of our Company in Hong Kong. The address for the service of process is the same as our principal place of business in Hong Kong.

2. Changes in the Share Capital of Our Company

On October 15, 2025, UltraPep Biopharm was established in the PRC with a registered share capital of RMB130 million.

Save as disclosed above and 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.

Assuming the **[REDACTED]** is not exercised, upon completion of the **[REDACTED]** and the Conversion of Unlisted Shares into H Shares and taking into account the Share Sub-division, our share capital will be increased to RMB**[REDACTED]**, made up of **[REDACTED]** H Shares and **[REDACTED]** Unlisted Shares fully paid up or credited as fully paid up, representing 100% of our share capital.

3. Change in the Share Capital of Our Subsidiary

A summary of the corporate information and the particulars of our subsidiary are set out in the section headed "History, Development and Corporate Structure" in this Document and the Accountants' Report as set out in Appendix I to this Document.

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 31, 2026, our Shareholders resolved that, among others:

(a) the issuance by our Company of H Shares with a nominal value of RMB0.50 each and such H Shares being **[REDACTED]** on the Stock Exchange;

(b) the number of H Shares to be issued shall not be more than **[REDACTED]**% of the total issued share capital of our Company as enlarged by the **[REDACTED]**, and the grant to the **[REDACTED]** (or their representatives) of the **[REDACTED]** of not more than **[REDACTED]**% of the number of H Shares issued pursuant to the **[REDACTED]**;

(c) subject to the filing procedure with the CSRC, upon the completion of the **[REDACTED]** (assuming the Share Subdivision is completed), **[REDACTED]** Unlisted 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 and issue Shares or sell and/or transfer treasury Shares at any time prior to the conclusion of the first annual general meeting following the **[REDACTED]** of the Company's H Shares, or the date on which shareholders pass a resolution at a general meeting to withdraw or amend the general 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 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]**;

(f) the subdivision of the Shares with a nominal value of RMB1.00 each on a one-for-two basis immediately prior to the **[REDACTED]**, and taking into account the Share Subdivision, the issuance of H Shares with a nominal value of RMB0.50 each and such H Shares being **[REDACTED]** on the Stock Exchange;

(g) authorization of the Board and its authorized persons to amend the resolutions in accordance with the requirements of competent regulatory authorities, and deal with the specific implementation; and

(h) 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 IV — Summary of Articles of Association."

6. Corporate Reorganization

We have not gone through any corporate reorganization for the purpose of the **[REDACTED]**. For details of the history and development of our Company, see "History, Development and Corporate Structure" in this Document.

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	Place of registration	Rights holder	Category	Registration number	Expiration Date
1	君博士	PRC	Company	5	15393553	November 6, 2035
2	Protelight	PRC	Company	5	22760177	February 20, 2028

No.	Trademark	Place of registration	Rights holder	Category	Registration number	Expiration Date
3	呅宁	PRC	Company	5	43002705	August 13, 2030
4	普亦克	PRC	Company	5	61033278	May 13, 2032
5	舒珩	PRC	Jiangsu Putai	5	75928713	June 13, 2034

(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	Patentee	Place of Registration	Patent Number/ Application Number	Application Date
1	An antibacterial peptide liquid composition and its preparation	Our Group	PRC	ZL202110068276.3	January 19, 2021
2	An antibacterial peptide liquid composition and its preparation	Our Group	Japan	特許第7731153號	January 19, 2021
3	Preparation Method and Application of Ethylenediamine Derivatives	Our Group	PRC	ZL202211660703.8	December 23, 2022
4	An anti-infective antibacterial peptide and its use	Our Group	PRC	ZL201510403782.8	July 13, 2015
5	Antimicrobial peptides and methods of use	University of Colorado	U.S.	US8,252,737B2	December 15, 2005
6	An antibacterial peptide cream and itspreparation methods	Our Group	PRC	ZL202110472836.1	April 29, 2021
7	A topical antibacterial peptide gel and its preparation methods	Our Group	PRC	ZL202110472490.5	April 29, 2021
8	An antibacterial peptide coating and its preparation methods	Our Group	PRC	ZL202110482050.8	April 30, 2021
9	An anti-infective antibacterial peptide lyophilized preparation and its preparation methods	Our Group	PRC	ZL202110483679.4	April 30, 2021
10	An antibacterial peptide, its preparation methods and use	Our Group	PRC	ZL201110095737.2	April 18, 2011
11	An antibacterial peptide, its preparation methods and use	Our Group	U.S.	US9,273,095B2	January 17, 2012

No.	Patent Name	Patentee	Place of Registration	Patent Number/ Application Number	Application Date
12	An antibacterial peptide, its preparation methods and use	Our Group	EU	EP2735570B1	January 17, 2012
13	Antimicrobial peptide liquid composition and its preparations	Our Group	PRC	CN202410305699.6	January 19, 2021
14	An antimicrobial peptide liquid composition and its preparations	Our Group	Japan	特願2025-134445	August 12, 2025
15	Antimicrobial peptides	Our Group	PCT	PCT/CN2024/088502	April 18, 2024
16	Process for preparing trans-vinyl sulfones	Our Group	PRC	CN202411063528.3	August 5, 2024
17	Pyrimidine compounds, preparation method and use	Our Group	PRC	CN202610421141.3	April 1, 2026

(c) Copyrights

As of the Latest Practicable Date, we were the registered owner of and had the right to use the following copyrights which we consider to be or may be material to our business:

No.	Copyright Name	Owner	Copyright Number	Registration Date	Place of Registration
1.	普萊logo	The Company	蘇作登字-2022-F-00027250	February 8, 2022	PRC
2.	女人花	The Company	蘇作登字-2016-F-00148078	October 31, 2016	PRC
3.	蛋白之光	The Company	蘇作登字-2016-F-00144512	October 24, 2016	PRC
4.	普肽logo	Jiangsu Putai	蘇作登字-2022-F-00016690	January 13, 2022	PRC
5.	蒂諾維logo	Nanjing Denovo	蘇作登字-2022-F-00013659	January 5, 2022	PRC
6.	銳益logo	Wuxi Ruiyi	蘇作登字-2022-F-00013670	January 5, 2022	PRC

(d) Domain Names

As of the Latest Practicable Date, we had registered the following internet domain names which we considered to be material to our business:

No.	Domain name	Owner	Expiry date
1.	protelight.com	普萊醫藥	May 24, 2027
2.	putaipharma.com	江蘇普肽	February 27, 2027

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Particulars of Directors' Service Contracts and Appointment Letters

We have entered into a service contract or an appointment letter with each of our Directors which contains provisions in relation to, among others, term of service, termination and dispute resolution mechanism. The service contracts or appointment letters 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

For details of the Directors' remuneration, see "Directors and Senior Management — Remuneration of Directors and Senior Management" in this Document and Note 11 to the Accountants' Report as set out in Appendix I to this Document.

3. Disclosure of Interests

(a) Interests and short positions of our Directors and chief executive in the Shares and underlying Shares of our Company and our associated corporation

Save as disclosed below, so far as our Directors are aware, immediately following the completion of the **[REDACTED]** (taking into account the Share Subdivision and assuming that the **[REDACTED]** is not exercised) and the conversion of Unlisted Shares to H Shares, none of our Directors or chief executive will have any interest and/or short position in the Shares, underlying Shares or debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) which (i) will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he or she is taken or deemed to have under such provisions of the SFO) , (ii) will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) will be required, pursuant to the Model Code, to be notified to our Company and the Stock Exchange.

(i) Interests in the Shares

					Shares held immediately following the completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares (taking into account the Share Subdivision and assuming the [REDACTED] is not exercised)			
Name	Positions	Nature of Interest[1]	Description of Shares	Number of Share held as of the Latest Practicable Date	Number of H Shares held	Number of Unlisted Shares held	% of shareholding in the H Shares (as appropriate)[2]	% of shareholding in the total issued share capital of our Company[2]
Dr. Chen[3] . . .	Chairman of our Board, executive Director, and chief executive officer	Beneficial owner	H Shares	14,414,519	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
		Interest in controlled corporation	H Shares	4,004,003	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on the total number of **[REDACTED]** Unlisted Shares and **[REDACTED]** H Shares in issue immediately upon completion of the **[REDACTED]** and the Conversion of Unlisted Shares into H Shares (taking into account the Share Subdivision and assuming the **[REDACTED]** is not exercised).

(3) For details of interests of Dr. Chen, see "Substantial Shareholders".

(b) Interests and short positions of our substantial Shareholders in the Shares and underlying Shares of our Company

For information on the persons who will, immediately following the completion of the **[REDACTED]**, having or be deemed or taken to have beneficial interests or short position in our Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions of 2 and 3 of Part XV of the SFO, or directly or indirectly be entitled to exercise, or control the exercise of, 10% or more of the voting power at any meeting of our Company, see "Substantial Shareholders."

Save as disclosed in the section headed "Substantial Shareholders" in this Document, as of the Latest Practicable Date, our Directors were not aware of any persons who would, immediately following the completion of the **[REDACTED]**, having or be deemed or taken to the beneficial interests or short position in our Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions of 2 and 3 of Part XV of the SFO, or directly or indirectly be entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of our Company.

(c) Interest in the Shares of Our Company's Subsidiaries

As of the Latest Practicable Date, so far as our Directors are aware, no person (other than our Directors or chief executive of our Company) were 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 other member of our Group.

4. Disclaimers

Save as disclosed in "History, Development and Corporate Structure", "Substantial Shareholders" and "Business" and above:

(a) none of our Directors or experts named in "Qualifications of Experts" in this section is:

  (i) 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;

  (ii) 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;

(b) 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 in each year or period during the Track Record Period; and

(c) 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. EMPLOYEE INCENTIVE SCHEME

The following is a summary of the principal terms of the Employee Incentive Scheme approved and adopted by our second board resolution on August 23, 2022. The terms of the Employee Incentive Scheme are not subject to the provisions of Chapter 17 of the Listing Rules as the Employee Incentive Scheme does not involve the grant of any Share options or awards by our Company after the **[REDACTED]**.

As of the Latest Practicable Date, our Employee Incentive Platform, namely Jiangyin Puyuan, held 4,004,003 Shares directly. For the details of the Employee Incentive Platform, please see "History, Development and Corporate Structure — Employee Shareholding Platform" in this document.

(i) Objectives

The main purpose of the Employee Incentive Scheme is to strengthen the incentive mechanism of the Group, further enhance the work enthusiasm and creativity of the participants thereto (the "**Eligible Participants**"), promote the sustainable performance growth across the Group, and deliver economic benefits to the Eligible Participants while enhancing the overall value of the Group, so as to realize the common development of the Eligible Participants and the Group.

(ii) Eligibility

The Eligible Participants of the Employee Incentive Scheme include senior and mid-level management, key employees of the Group, core technical personnel of the Group and other participants*(Note)* as determined by the administrator of the Employee Incentive Scheme (the "**Administrator**") in compliance with laws, regulations, regulatory rules, the Articles of Association and the rules of the Employee Incentive Scheme.

(iii) Form of grants under the Employee Incentive Scheme

The grantees shall subscribe for an amount of restricted partnership interests of the Employee Incentive Platform as limited partners according to the number of underlying Shares intended to be granted to him/her under the Employee Incentive Schemes, as approved by the Administrator (the "**Restricted Shares**").

(iv) Administration

Dr. Chen, as the sole executive and general partner of Jiangyin Puyuan, shall act as the Administrator and shall be responsible for, among others, determining the identities of the grantees, and the corresponding amount of Restricted Shares to be granted, and interpreting the Employee Incentive Schemes. The voting rights attached to the Shares held by the Employee Incentive Platform underlying the Restricted Shares, all of which have been granted and allocated to individual grantees as of the Latest Practicable Date, reside with the general partner of the Employee Incentive Platform.

(v) Total number of Shares underlying the Restricted Shares

Grantees are indirectly interested in a total of 4,004,003 Shares, representing approximately 7.77% of the share capital of our Company as of the Latest Practicable Date, through holding partnership interests in our Employee Incentive Platform.

As of the Latest Practicable Date, all Restricted Shares, corresponding to a total of 4,004,003 Shares, have been granted and allocated under the Employee Incentive Scheme, and all grantees had made the corresponding capital contributions in accordance with the arrangements of the Administrator, and thereby, had been holding indirect interests in the Shares. No further Restricted Shares will be granted thereunder after the **[REDACTED]**.

(vi) Term

The Employee Incentive Scheme shall take effective from the date of being approved by the Administrator and shall remain in effect after the date of the **[REDACTED]**.

(vii) Grant of Restricted Shares

The Administrator shall determine the grantees and the allocation of the Restricted Shares after considering, among others, the Eligible Participant's position, time in office, expected length of service, and the value of services provided and the contribution to the Group. The Administrator is responsible for informing the grantees and the Company to execute the grant agreements.

Grantees must subscribe for the partnership interests of our Employee Incentive Platform within the period specified by our Company by submitting a written application and payment of the full amount to the designated account of the Employee Incentive Platform.

Note: other participants include retired employees only and do not include any external parties.

(viii) Transfer Restrictions

Prior to the **[REDACTED]** and within 36 months following the **[REDACTED]** (the "**Lock-Up Period**"), Restricted Shares held by the grantees shall be subject to lock-up during which no transfer is permitted.

Upon the expiration of the Lock-Up Period, the grantees may dispose of the Restricted Shares in four equal installments of 25% annually across 48 months by submitting a written sale notice to the Employee Incentive Platform. The proceeds from such disposal shall be determined as the prevailing **[REDACTED]** of the Restricted Shares less applicable taxes and any fees or expenses paid or borne by the Employee Incentive Platform in connection with such disposal.

(ix) Clawback Mechanism

From the date of grant of the Restricted Shares:

(a) In the event that a grantee is in violation of laws or regulations, breach of professional ethics, dereliction of duty, or seriously harms our Company's interests or reputation in any form during employment or within two years after leaving our Company, or is otherwise terminated for violating our Company's rules and regulations or engaging in serious disciplinary misconduct, including by engaging in acts deemed by our Company's management as bribery or corruption, or is held criminally liable for criminal acts in accordance with the law or commits other intentional or grossly negligent acts causing severe harm to our Company, such grantee shall be required to transfer all Restricted Shares at a price equal to the original subscription price paid at the time of grant.

(b) In the event of the death of a grantee, the Restricted Shares held by such grantee shall not form part of his/her estate and shall not be inheritable. The relevant heirs shall transfer such Restricted Shares to our Company at a price equal to the original subscription price paid at the time of grant plus accrued interest.

(c) In the event that a grantee is divorced and has agreed to transfer or has designated the transferral of the Restricted Shares to any third party, such grantee shall be required to transfer all Restricted Shares at a price equal to the original subscription price paid at the time of grant.

(x) Details of the Grantees

As of the Latest Practicable Date, the Restricted Shares corresponding to a total of 4,004,003 Shares, representing approximately 7.77% of our total issued Shares, have been granted to a total of 34 Eligible Participants under the Employee Incentive Schemes. As of the Latest Practicable Date, all partnership interests in the Equity Incentive Platform have been subscribed by and fully paid up by the grantees. As of the Latest Practicable Date, the relevant registrations had been completed. The details of the Restricted Shares are set out below:

Name	Position	Approximate partnership interests in Jiangyin Puyuan as of the Latest Practicable Date	Approximate number of Shares corresponding to Restricted Shares granted to the grantees prior to the Share Subdivision[1]	Approximate shareholding percentage corresponding to Restricted Shares in the total number of Shares immediately prior to the [REDACTED] prior to the Share Subdivision[2]
Directors				
Dr. Chen	Chairman of our Board, executive Director, CEO and general manager	26.83%	1,074,403	2.08%
Ms. CHEN Mingxia	Executive Director and vice president	15.41%	617,000	1.20%
Mr. Zhang Wendong	Executive Director, vice president and secretary of the Board	6.27%	251,000	0.49%
Mr. Zhou Peng	Executive Director and Head of Finance	5.04%	202,000	0.39%

Name	Position	Approximate partnership interests in Jiangyin Puyuan as of the Latest Practicable Date	Approximate number of Shares corresponding to Restricted Shares granted to the grantees prior to the Share Subdivision[(1)]	Approximate shareholding percentage corresponding to Restricted Shares in the total number of Shares immediately prior to the [REDACTED] prior to the Share Subdivision[(2)]
Mr. Feng Shangbin	Executive Director and head of quality department	4.62%	185,000	0.36%
Mr. Dong Hu	Executive Director and head of clinical medicine department	2.50%	100,100	0.19%
Other Grantees				
28 Employees		39.33%	1,574,500	3.06%
Total		100.00%	4,004,003	7.77%

Notes:

(1) For illustrating the indirect interests of grantees in the Shares, the number of Shares are presented and calculated by multiplying their respective percentage of partnership interests in Jiangyin Puyuan by the total number of Shares held by Jiangyin Puyuan.

(2) **[REDACTED]** Unlisted Shares held by Jiangyin Puyuan will be converted into H Shares, subject to the relevant regulatory approvals and registration.

Given the underlying Shares under the Employee Incentive Scheme had already been issued, the Employee Incentive Scheme will not result in any dilution effect to the issued Shares upon **[REDACTED]**.

E. OTHER INFORMATION

1. Estate Duty

Pursuant to the laws of Chinese mainland, no estate duty is currently levied in Chinese mainland.

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 have 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 Unlisted Shares, on the Main Board of the Stock Exchange. The Sole Sponsor will receive an aggregate fee of approximately US$600,000 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

As of the Latest Practicable Date, our Company did not incur any material preliminary expense.

5. Promotors

The promoters of our Company are all the then 30 Shareholders as of January 29, 2026 immediately before our conversion into a joint stock limited company. Save as otherwise disclosed in this document, within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promotors of our Company 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
CITIC Securities (Hong Kong) Limited	A licensed corporation to conduct Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Ernst & Young	Certified Public Accountants Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
Allbright Law Offices	Legal advisor to our Company as to PRC law and intellectual property related law
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent Industry consultant
Graval Consulting 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. Taxation of Holders of H Shares

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. No Material Adverse Change

Our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of the Group since June 30, 2026 (being the date to which the latest consolidated financial statements of our Group were prepared).

10. 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.

11. 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).

12. Miscellaneous

(a) Save as otherwise disclosed in the sections headed "Financial Information," "History, Development and Corporate Structure" and "**[REDACTED]**," within the two years immediately preceding the issue of this document:

(i) 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;

(ii) no share or debenture of any member of our Group is under option or agreed conditionally or unconditionally to be put under option;

(iii) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of any member of our Group; and

(iv) no commission has been paid or is payable for subscribing, agreeing to subscribe, procuring or agreeing to procure subscriptions for any shares in or debentures of our Company.

(b) There are no founder or management or deferred shares in our Company.

(c) There is no restriction affecting the remittance of profits or repatriation of capital of our Company into Hong Kong from outside Hong Kong.

(d) There is no arrangement under which future dividends are waived or agreed to be waived.

(e) 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.

(f) 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.

(g) No part of the equity or debt securities of our Company is **[REDACTED]** on any stock exchange, and no such **[REDACTED]** on any stock exchange other than the Stock Exchange is being or is proposed to be sought.

(h) Our Company has no outstanding convertible debt securities or debentures.

APPENDIX VI DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this document and delivered to the Registrar of Companies in Hong Kong for registration were:

(a) the written consents referred to in "Appendix V — Statutory and General Information — E. Other Information — 7. Consent of Experts"; and

(b) a copy of the material contract referred to in "Appendix V — 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.protelight.com** during a period of 14 days from the date of this document:

(a) the Articles of Association;

(b) the Accountants' Report prepared by Ernst & Young, the text of which is set out in Appendix I to this document;

(c) the audited consolidated financial statements of our Group for the two years ended December 31, 2025 and the six months ended June 30, 2026;

(d) the report prepared by Ernst & Young on the unaudited **[REDACTED]** financial information of our Group, the text of which is set out in Appendix II to this document;

(e) the PRC legal opinion issued by Allbright Law Offices, our PRC Legal Advisor, in respect of certain general corporate matters and property interests of our Group under PRC law;

(f) the industry report prepared by Frost & Sullivan, the summary of which is set forth in "Industry Overview";

(g) the material contract referred to in "Appendix V — Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contract";

(h) the written consents referred to in "Appendix V — Statutory and General Information — E. Other Information — 7. Consent of Experts";

(i) the property valuation report prepared by Gravel Consulting Limited relating to our property interests, the text of which is set out in "Appendix III — Property Valuation Report" in this document;

(j) the intellectual property due diligence report prepared by Allbright Law Offices, our legal advisors as to intellectual property related law;

(k) the service contracts and appointment letters referred to in "Appendix V — Statutory and General Information — C. Further Information about Our Directors and Substantial Shareholders — 1. Particulars of Directors' Service Contracts and Appointment Letters"; and

(l) the PRC Company Law, the PRC Securities Law and the Overseas Listing Trial Measures, together with their unofficial English translations.