

SUMMARY

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

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

OVERVIEW

We are a leading pharmaceutical company focused on the Cardiovascular-Kidney-Metabolic (“CKM”) sector in China. We are primarily engaged in the research, development, production, and sales of pharmaceuticals and medical devices. In 2025, with a market share of 11.3%, we ranked second in terms of in-hospital sales revenue of cardiovascular drugs in China, according to Frost & Sullivan. Our product portfolio is strategically centered on innovative drugs, further diversified with generics, biosimilars, and medical devices, collectively purpose-built to address the significant unmet medical needs in the CKM sector. As of the Latest Practicable Date, we ranked second among domestic companies by the number of marketed NMEs and pipeline candidates in or beyond the IND stage for CKM syndrome, according to Frost & Sullivan.

CKM syndrome is a systemic disorder characterized by pathophysiological interactions among metabolic risk factors, chronic kidney disease (“CKD”), and the cardiovascular system, leading to multiorgan dysfunction and a high rate of adverse cardiovascular outcomes. In 2025, the global prevalence of CKM syndrome reached 88.9% among adults. Because CKM conditions are chronic in nature, patients require long-term or even lifelong treatment. Well-established originator products for CKM conditions often translate into strong patient retention and an extended commercial lifespan. In 2023, 2024, 2025, and the six months ended June 30, 2025 and 2026, our revenue generated from sales of CKM pharmaceuticals amounted to RMB1,897.1 million, RMB2,345.5 million, RMB2,899.1 million, RMB1,422.0 million, and RMB1,722.9 million, accounting for 61.9%, 65.1%, 75.6%, 75.1%, and 77.8% of our total revenue from sales of pharmaceuticals for the respective periods.

We have been committed to innovations in the CKM sector. As of the Latest Practicable Date, we had six innovative drugs—XinLiTan (approved in 2013), FuLiTan (approved in 2024), XinLiTing (approved in 2024), XinChaoTuo (approved in 2025), FuLiAn (approved in 2025), and EnNaLuo (first approved in 2023, label expanded in 2025). Their rapid market uptake has been instrumental in driving our growth. Our revenue from sales of innovative drugs as a percentage of our total revenue from sales of pharmaceuticals increased from 30.1% in 2023 to 37.7% in 2024, and further increased to 52.1% in 2025. For the six months ended June 30, 2026, our revenue from sales of innovative drugs as a percentage of our total revenue from sales of pharmaceuticals was 54.8%, an increase from 50.5% for the same period of 2025.

Our commitment to R&D excellence positions us at the forefront of novel therapeutics. As of the Latest Practicable Date, we had 79 pipeline innovative drugs. Notably, to promote cardiovascular and renal health, we are actively advancing the development of SAL0140 (a highly selective aldosterone synthase inhibitor (“ASI”)) and SAL0120 (a selective endothelin receptor type A (“ETAR”) antagonist) for the treatment of uncontrolled or resistant hypertension and CKD. In addition, we are building a strong pipeline of PCSK9-targeting therapies. By covering diverse modalities from small molecules and cyclic peptides to gene-editing and dual-target siRNA, we aim to offer innovative oral and/or long-acting options to optimize lipid control and meaningfully

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reduce atherosclerotic cardiovascular disease (“ASCVD”) risk. As of the Latest Practicable Date, we also had 17 medical devices and 18 medical device candidates, covering major areas of cardiovascular and cerebrovascular diseases.

We have established R&D hubs in both China and the United States, forming an integrated network that accelerates our global innovation. Notably, JK07 (SAL007), an NRG1-ErbB3 antibody fusion protein, is the only disease-modifying biologic in active clinical development for the treatment of heart failure globally, according to Frost & Sullivan. We are also the first Chinese company that has initiated global multi-regional clinical trials for the treatment of heart failure, according to the same source.

We achieved solid financial performance during the Track Record Period. Our total revenue increased by 19.2% from RMB3,365.3 million in 2023 to RMB4,012.2 million in 2024, and further increased by 8.5% to RMB4,352.7 million in 2025. For the six months ended June 30, 2026, our total revenue was RMB2,479.1 million, an increase of 16.3% from RMB2,131.0 million for the same period of 2025. Our net profit increased by 4.2% from RMB580.8 million in 2023 to RMB605.2 million in 2024, and further increased by 7.9% to RMB652.8 million in 2025. For the six months ended June 30, 2026, our net profit was RMB390.5 million, an increase of 4.0% from RMB375.4 million for the same period of 2025. Our profitability supports continued investment in innovation and shareholder returns. Since the listing of our A Shares in 2009, we have distributed an aggregate of over RMB7.8 billion dividends to our shareholders, representing more than twice our financing proceeds from the A-Share market.

OUR MARKET OPPORTUNITY

CKM syndrome is characterized by high prevalence, low awareness rate, low treatment rate and low control rate. In 2025, the global prevalence of CKM syndrome reached 88.9% among adults, according to Frost & Sullivan. Low control rates of CKM conditions are strongly linked to increased mortality. CKM syndrome is a leading cause of mortality worldwide, with an at-risk population of over 1 billion each year, according to the same source. Globally, the market size of drugs for CKM syndrome increased from US\$363.9 billion in 2021 to US\$507.8 billion in 2025 at a CAGR of 8.7%, and is projected to reach US\$751.7 billion by 2030 and US\$1,029.1 billion by 2035, according to Frost & Sullivan.

The CKM sector is characterized by high barriers to entry, and favors players like us with extensive expertise, financial endurance, and integrated capabilities to navigate it successfully. The chronic nature of CKM conditions fosters strong patient retention, which in turn sustains a significant and stable revenue stream from our diverse product portfolio.

OUR CKM FRANCHISE

A CKM staging construct was established to reflect the pathophysiology, spectrum of risks, and opportunities for prevention and care optimization within CKM syndrome. The management of CKM syndrome progresses from lifestyle interventions and metabolic risk control in the early stages (Stages 0-1) to the synergistic management of multiple risk factors in the intermediate stage (Stage 2), and finally to multidisciplinary collaboration and combined pharmacological and device interventions in advanced stages (Stages 3-4). Globally, in 2025, patients at Stage 2 of the CKM syndrome accounted for 47.4% of all adults.

As of the Latest Practicable Date, we had 79 pipeline innovative drugs and had built a strong CKM franchise that provides stage-based coverage across the full disease progression. Given the high prevalence of Stage 2 CKM patients, we have strategically directed our efforts toward building a strong pipeline layout for this CKM stage.

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Diseases	Number of Drug Programs			Key Highlights
	Preclinical	Clinical*	Approved	
Obesity, Overweight and Insulin Resistance	19	3	/	- SAL0150, a GLP-1RA, the world's third oral, once-weekly GLP-1RA to have entered clinical development* - Other drug candidates across diverse mechanisms of action and modalities (such as siRNAs and mAbs) in early stage of development
Hypertension	4	4	4	- XinLiTan, China's first domestically-developed ARB* - FuLiTan, China's first domestically-developed FDC of an ARB and a CCB* - XinChaoTuo, China's first domestically-developed novel ARNi and the second-in-class globally* - FuLiAn, the world's first FDC of an ARB and a thiazide-like diuretic* - SAL0132, an siRNA therapeutic targeting AGT, the second domestically-developed AGT siRNA candidate to have entered Phase II clinical trial for the treatment of hypertension in China* - SAL0140, a highly selective ASI, the first domestically-developed ASI to have entered clinical development for the treatment of uncontrolled or resistant hypertension in China* - SAL0120, a selective ETAR antagonist, with first-in-class potential for uncontrolled or resistant hypertension in China* - SAL0130, potentially the world's first FDC of an ARNi and a CCB*
Dyslipidemia	7	6	/	- SAL003, potentially the first anti-PCSK9 mAb in China formulated for delivery via an auto injector, with a dosing interval of every four weeks, each treatment administered via single subcutaneous dose* - SAL061, the first gene-editing therapy targeting PCSK9 in China to have entered clinical development and one of only two gene-editing therapies targeting PCSK9 worldwide currently under clinical development* - SAL0139, one of the few clinical-stage oral, small-molecule PCSK9 inhibitors worldwide* - SAL0137, one of the few clinical-stage oral, small-molecule Lp(a) inhibitors worldwide* - SAL0167, the only cyclic peptide targeting PCSK9 in active clinical development worldwide*
CKD and Complications	5	2	2	- EnNaLuo, China's second HIF-PHI for renal anemia, a next-generation HIF-PHI with potent hepcidin lowering effect and enhanced safety profile - SAL0120, a selective ETAR antagonist, among the first three ETAR antagonist drug candidates that have advanced to Phase II clinical trials for the treatment of CKD* - SAL0140, a highly selective ASI, one of the only four ASIs under clinical development for the treatment of CKD in the world*
Type 2 Diabetes, MASH, etc.	4	4	1	- XinLiTing, a DPP-4 inhibitor for the treatment of type 2 diabetes with enhanced safety profile - SAL0150, a GLP-1RA, the world's third oral, once-weekly GLP-1RA to have entered clinical development* - SAL0145, the world's third HSD17B13-targeting siRNA therapeutic to have entered clinical development for the treatment of MASH* - SAL0140, a highly selective ASI, the first domestically-developed ASI to have entered clinical development for the treatment of primary aldosteronism*
Heart Failure, Stroke, Atrial Fibrillation, End-stage Kidney Disease, etc.**	6	5	3	- XinChaoTuo, the first domestically-developed novel ARNi in China and the second-in-class globally* - JK07 (SAL007), an NRG1-ErbB3 antibody fusion protein, the only disease-modifying biologic in active clinical development for the treatment of heart failure globally* - Maurora, the world's first sirolimus eluting vertebral artery stent system*

■ CKM Stage 1 ■ CKM Stage 2 ■ CKM Stage 3-4

Notes:

* Includes IND-submitted drug programs and drug programs under NDA/BLA review.

† According to Frost & Sullivan.

** As of the Latest Practicable Date, we also had 17 medical devices, 12 medical device candidates in preclinical stage, and six medical device candidates in clinical or later stages, indicated for the treatment of diseases in CKM Stages 3 and 4.

Abbreviations:

AGT=angiotensinogen, ARB=angiotensin II receptor blocker, ARNi=angiotensin receptor-neprilysin inhibitor, ASI=aldosterone synthase inhibitor, CCB=calcium channel blocker, CKD=chronic kidney disease, DPP-4=dipeptidyl peptidase-4, ETAR=endothelin receptor type A, FDC=fixed-dose combination, GLP-1RA=GLP-1 receptor agonist, HIF-PHI=hypoxia-inducible factor prolyl hydroxylase inhibitors, Lp(a)=lipoprotein(a), MASH=metabolic dysfunction-associated steatohepatitis, NRG1=neuregulin-1, PCSK9=proprotein convertase subtilisin/kexin type 9

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OUR MAJOR MARKETED PRODUCTS

Pharmaceutical Products

In the six months ended June 30, 2026, XinLiTan, TaiJia, FuLiTan, and EnNaLuo, together accounted for 62.0% of our total sales revenue of pharmaceuticals, which are considered our major marketed drugs. Other innovative drugs with strong growth momentum include XinChaoTuo and FuLiAn. The following table sets forth major information of these marketed drugs:

Therapeutic Area	Product ⁽¹⁾	Mechanism of Action	Primary Indication	Line of Treatment	Year of Sales Commencement	Year of First Inclusion in NRDL	End of Validity Period of NRDL Agreement ⁽²⁾	Inclusion in VBP (Y/N)
Cardiovascular Diseases . . .	XinLiTan	ARB	Hypertension	1L	2013	2017	End of 2025 ⁽³⁾	N
	FuLiTan	ARB/CCB	Hypertension	1L	2024	2024	End of 2026	N
	XinChaoTuo	ARNi	Hypertension	1L	2025	2025	End of 2027	N
	FuLiAn	ARB/thiazide-like diuretic	Hypertension	1L	2025	2025	End of 2027	N
Kidney Diseases	EnNaLuo	HIF-PHI	Renal anemia	1L	2023	2023	End of 2027	N
Metabolic Diseases	XinLiTing	DPP-4 inhibitor	Type 2 diabetes	2L	2024	2024	End of 2026	N
Others	TaiJia	P2Y ₁₂ inhibitor	Thrombosis prevention	1L	2000	2004	N/A ⁽⁴⁾	Y ⁽⁵⁾

Notes:

- (1) Except for EnNaLuo, we self-developed all our major marketed drugs.
- (2) It refers to the end of the term of the relevant agreement reached in the most recent NRDL negotiation, where applicable.
- (3) XinLiTan was first included in the NRDL in 2017. In accordance with the applicable NRDL regulations, following the expiry of the relevant agreement on December 31, 2025, XinLiTan has been subject to routine catalog management under the NRDL. The renewal of its inclusion in the NRDL is no longer subject to any re-negotiation.
- (4) TaiJia is subject to routine catalog management under the NRDL. The renewal of its inclusion in the NRDL is not subject to any re-negotiation.
- (5) For details of the inclusion of TaiJia in VBP schemes, including the year of inclusion, validity period, and geographical area coverage, see “Business—Our Drugs and Drug Candidates—Generics.”

Among these seven main products, four are indicated for the treatment of hypertension. Hypertension, also known as high or raised blood pressure, occurs when the force of blood pushing against artery walls is too high. Because high blood pressure usually does not cause symptoms, it is often known as a “silent killer.” The causes of hypertension are multifactorial, including aging, family history, smoking, obesity, high sodium intake, inactivity, and excessive alcohol use. In some cases, hypertension stems from specific underlying conditions such as obstructive sleep apnea, renal artery stenosis, primary aldosteronism, and thyroid disease. Key strategies for the treatment of hypertension include lifestyle changes and medications such as calcium channel blockers, diuretics and RAAS inhibitors. For details, see “Industry Overview—Hypertension Drug Market.”

The following table sets forth the sales revenue of our major marketed drugs, in absolute amounts and as a percentage of our total sales revenue of pharmaceuticals, for the periods indicated:

	Year Ended December 31,						Six Months Ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(unaudited)									
XinLiTan	920,437	30.0	1,275,755	35.4	1,483,533	38.7	772,309	40.8	669,741	30.3
TaiJia	558,268	18.2	538,670	14.9	464,498	12.1	240,973	12.7	283,474	12.8
FuLiTan	—	—	1,028	0.0	160,425	4.2	43,755	2.3	224,694	10.1
EnNaLuo	1,588	0.1	80,094	2.2	272,449	7.1	108,792	5.7	194,414	8.8
	1,480,293	48.3	1,895,547	52.6	2,380,905	62.1	1,165,829	61.6	1,372,323	62.0

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The following table sets forth the retail price of each of our major marketed drugs for the periods indicated:

	Year Ended December 31,			Six Months Ended June 30,
	2023	2024	2025	2026
	RMB	RMB	RMB	RMB
XinLiTan (per pack)	30.1	29.05	29.05	23.87
TaiJia (per pack)	14.5 to 22.26	10.29 to 17.5	10.29 to 14.5	6.99
FuLiTan (per pack)	/	54.6	28.14	28.14
EnNaLuo (per pack)	546	181.51	181.51	181.51

See “Business—Our Drugs and Drug Candidates—Our Major Marketed Drugs” for detailed analysis of material fluctuations in their sales revenue and retail price.

Medical Device

Maurora Sirolimus Eluting Vertebral Artery Stent System (“**Maurora**”) is our major marketed medical device in terms of sales revenue. Aurora is a balloon-expandable drug-eluting stent. In July 2020, Aurora was approved by the NMPA as a Class III medical device for the treatment of symptomatic extracranial vertebral artery stenosis. It is the first drug-eluting stent that applies sirolimus in the treatment of cerebrovascular stenosis, according to Frost & Sullivan. In 2023, 2024, 2025, and the six months ended June 30, 2025 and 2026, our sales revenue from Aurora was RMB206.6 million, RMB289.4 million, RMB362.3 million, RMB172.7 million, and RMB196.3 million, which accounted for 95.8%, 94.8%, 95.4%, 94.9%, and 96.7% of our sales revenue of medical devices, respectively. Aurora has participated in the VBP schemes of Beijing, Anhui Province, and Henan Province during the Track Record Period. For details, see “Business—Our Medical Devices—Maurora Sirolimus Eluting Vertebral Artery Stent System.”

OUR BUSINESS MODEL

Our focus on innovation is underpinned by an effective business model integrating R&D, manufacturing, and commercialization capabilities.

- **Global R&D.** We have established six R&D centers, strategically located in China and the United States. Our advanced technology platforms support our innovations, driving research in small molecules, small nucleic acids (e.g., siRNA, AOC), cyclic peptides, and standard and complex biologics (e.g., antibodies, fusion proteins and ADCs), as well as novel medical devices. In addition, our global R&D infrastructure allows us to advance drug candidates demonstrating favorable efficacy and safety profiles through global multi-regional clinical trials. Notably, JK07 (SAL007), an NRG1-ErbB3 antibody fusion protein, is currently undergoing a global multi-regional Phase II clinical trial in patients with heart failure with reduced ejection fraction (“**HFrEF**”) and patients with heart failure with preserved ejection fraction (“**HFpEF**”), across more than 60 sites in the United States, Canada, China, and Puerto Rico. Leveraging our expertise in the CKM sector, we systematically accelerate our drug development timeline. Since 2018, we have completed 111 IND submissions and 12 NDA/BLA submissions.

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- **Manufacturing.** We have built a scalable and advanced manufacturing infrastructure. Our seven major manufacturing bases in China support our in-house manufacturing of small molecules, biologics, active pharmaceutical ingredients (“APIs”), and medical devices. We maintain stringent quality management and have extensive compliance experience under both domestic and overseas standards. As early as 2012, we were among the ten companies in Chinese mainland to receive the EU Good Manufacturing Practices (“GMP”) certification in the same year, according to Frost & Sullivan.
- **Commercialization.** We focus on physician education and brand recognition to support the market adoption of our products. Our intensive academic promotion efforts have effectively increased the knowledge of our products’ clinical benefit and our brand awareness in the medical community. As of June 30, 2026, we had assembled an experienced in-house sales and marketing team of over 1,800 professionals. As of the same date, our extensive commercial reach had covered over 86,000 hospitals and over 93,000 retail pharmacies across over 30 provincial regions in China.

OUR STRENGTHS

We believe that the following strengths set us apart from our competitors: (i) comprehensive CKM drug portfolio with broad hypertension coverage; (ii) robust global innovation anchored in clinical-stage assets with blockbuster potential; (iii) efficient and advanced drug discovery and development; (iv) drug-device synergy fueled by a strong medical device portfolio; (v) deeply integrated commercial operations built for impactful care; and (vi) highly experienced management supported by industry veterans in the CKM sector.

OUR STRATEGIES

We intend to grow our business by implementing the following strategies: (i) strengthening our CKM-focused product matrix; (ii) expanding our global presence; (iii) broadening market opportunities for commercial success; and (iv) enhancing manufacturing capabilities and supply chain.

OUR CUSTOMERS

Our customers primarily consist of distributors of our pharmaceutical products in China. In 2023, 2024, 2025, and the six months ended June 30, 2026, we generated revenue of RMB1,729.4 million, RMB2,053.4 million, RMB2,387.6 million, and RMB1,376.9 million from our five largest customers, respectively, representing 51.3%, 51.2%, 54.9%, and 55.5% of our total revenue for these respective periods. In 2023, 2024, 2025, and the six months ended June 30, 2026, we generated revenue of RMB677.0 million, RMB710.3 million, RMB772.5 million, and RMB467.9 million from our largest customer in each year/period, respectively, representing 20.1%, 17.7%, 17.7%, and 18.9% of our total revenue for these respective periods.

OUR SUPPLIERS

Our suppliers primarily consist of raw material and equipment suppliers, as well as technical, clinical, marketing, and engineering service providers. In 2023, 2024, 2025, and the six months ended June 30, 2026, our aggregate purchases from our five largest suppliers amounted to RMB282.8 million, RMB279.7 million, RMB304.9 million, and RMB161.7 million, respectively, representing 14.7%, 13.5%, 16.0%, and 10.9% of our total purchases for these respective periods. In 2023, 2024, 2025, and the six months ended June 30, 2026, our purchases from our largest supplier in each year/period amounted to RMB143.4 million, RMB85.4 million, RMB128.3 million, and RMB42.7 million, respectively, representing 7.5%, 4.1%, 6.7%, and 2.9% of our total purchases for these respective periods.

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COMPETITIVE LANDSCAPE

We face competition from large domestic and multinational pharmaceutical and biotechnology companies focused on innovative therapeutics, particularly in the CKM sector. Our products primarily compete with other therapies indicated for similar conditions on the basis of safety, efficacy, brand recognition, pricing and general market acceptance by medical professionals and hospitals. In the field of innovative therapeutics, we compete on the ability to identify targets, mechanisms and pathways that have the potential to achieve significant clinical benefits, to conduct effective molecule screening and design, and to demonstrate efficacy and safety of our drug candidates.

We believe our competitive edge lies in our deep expertise in the CKM sector, strong R&D and innovation capabilities that enable efficient drug discovery and development, a portfolio of drug assets with significant commercial potential, the synergistic combination of our pharmaceutical and medical device portfolios, as well as our commercialization capabilities underpinned by our brand positioning and marketing execution, and the leadership of our management team.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The summary financial data set forth below are derived from and should be read together with our financial statements in this document, including the related notes. Our consolidated financial information has been prepared in accordance with IFRS Accounting Standards (“IFRS”).

Summary of Consolidated Statement of Profit or Loss

	Year Ended December 31,						Six Months Ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Revenue	3,365,343	100.0	4,012,232	100.0	4,352,661	100.0	2,130,968	100.0	2,479,136	100.0
Cost of sales	(1,065,462)	(31.7)	(1,138,057)	(28.4)	(1,105,077)	(25.4)	(522,903)	(24.5)	(630,861)	(25.4)
Gross profit	2,299,881	68.3	2,874,175	71.6	3,247,584	74.6	1,608,065	75.5	1,848,275	74.6
Other income and gains, net	201,993	6.0	178,067	4.4	301,026	6.9	85,360	4.0	63,510	2.6
Selling and distribution expenses	(1,015,589)	(30.2)	(1,472,870)	(36.7)	(1,762,546)	(40.5)	(836,375)	(39.2)	(1,019,523)	(41.1)
Administrative expenses	(330,644)	(9.8)	(323,155)	(8.1)	(329,042)	(7.6)	(169,339)	(7.9)	(166,533)	(6.7)
Research and development costs	(409,194)	(12.2)	(421,240)	(10.5)	(539,332)	(12.4)	(235,264)	(11.0)	(270,957)	(10.9)
(Provision)/Reversal of impairment losses on financial assets, net	(2,417)	(0.1)	(6,443)	(0.2)	(4,807)	(0.1)	(13,842)	(0.6)	2,035	0.1
Other expenses	(67,221)	(2.0)	(173,590)	(4.3)	(193,471)	(4.4)	(9,680)	(0.5)	(43,283)	(1.7)
Finance costs	(19,591)	(0.6)	(17,287)	(0.4)	(22,219)	(0.5)	(9,646)	(0.5)	(9,369)	(0.4)
Share of loss of associates	(15,457)	(0.5)	(5,141)	(0.1)	(41,285)	(0.9)	(2,668)	(0.1)	(6,310)	(0.3)
Profit before tax	641,761	19.1	632,516	15.8	655,908	15.1	416,611	19.6	397,845	16.0
Income tax expense	(60,932)	(1.8)	(27,360)	(0.7)	(3,124)	(0.1)	(41,241)	(1.9)	(7,368)	(0.3)
Profit for the year/period	580,829	17.3	605,156	15.1	652,784	15.0	375,370	17.6	390,477	15.8
Attributable to:										
Owners of the Company	580,066	17.2	601,569	15.0	651,505	15.0	365,079	17.1	387,092	15.6
Non-controlling interests	763	0.0	3,587	0.1	1,279	0.0	10,291	0.5	3,385	0.1
	580,829	17.3	605,156	15.1	652,784	15.0	375,370	17.6	390,477	15.8

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Revenue

We primarily generate revenue from contracts with customers, which mainly consists of revenue from sales of innovative drugs, other pharmaceuticals and medical devices. The following table sets forth a breakdown of our total revenue by offering category, in absolute amounts and as a percentage of our total revenue, for the periods indicated:

	Year Ended December 31,						Six Months Ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(unaudited)									
Contracts with customers	3,362,629	99.9	4,009,185	99.9	4,350,914	100.0	2,129,963	100.0	2,478,376	100.0
Innovative drugs	922,025	27.4	1,357,280	33.9	1,998,579	45.9	957,072	44.9	1,213,952	49.0
Other pharmaceuticals	2,142,081	63.7	2,246,815	56.0	1,837,776	42.2	936,575	44.0	1,000,022	40.3
Generics	1,640,868	48.8	1,693,263	42.2	1,304,319	30.0	687,339	32.3	632,660	25.5
Biosimilars	87,205	2.6	141,079	3.5	212,335	4.9	96,445	4.5	162,534	6.6
APIs and intermediates ⁽¹⁾	414,008	12.3	412,473	10.3	321,122	7.4	152,791	7.2	204,828	8.3
Medical devices	215,563	6.4	305,407	7.6	379,939	8.7	182,034	8.5	203,076	8.2
Others ⁽²⁾	82,960	2.5	99,683	2.5	134,620	3.1	54,282	2.5	61,326	2.5
Other sources⁽³⁾	2,714	0.1	3,047	0.1	1,747	0.0	1,005	0.0	760	0.0
Total	3,365,343	100.0	4,012,232	100.0	4,352,661	100.0	2,130,968	100.0	2,479,136	100.0

Notes:

- (1) An intermediate is a material generated during the synthesis of an API that requires further reaction or purification before becoming the API. It is a transitional product in the manufacturing process and does not possess final pharmacological activity.
- (2) Revenue from others primarily includes our revenue generated from license of intellectual property and rendering pharmaceuticals processing services and R&D technology services to our business partners. We entered into technology transfer agreements with three private pharmaceutical companies in Chinese Mainland in May 2020, December 2020, and June 2021, respectively. Under these agreements, we transferred all rights to three noncore generic and biosimilar drugs for a total consideration of RMB115.7 million, RMB114.4 million of which has been recognized as revenue. For details, see Note 5 to the Accountants' Report in Appendix I to this document.
- (3) Revenue from other sources primarily includes our rental income.

In 2023, 2024, 2025, and the six months ended June 30, 2025 and 2026, our revenue from exports to overseas markets accounted for 2.7%, 3.2%, 2.0%, 2.1%, and 1.8% of our total revenue for the respective periods, which was primarily generated from sales of cefepime to emerging markets, such as India, Brazil, and Egypt.

The following table sets forth a breakdown of our total sales revenue of pharmaceuticals by therapeutic area, in absolute amounts and as a percentage of our total sales revenue of pharmaceuticals, for the periods indicated:

	Year Ended December 31,						Six Months Ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(unaudited)									
CKM	1,897,108	61.9	2,345,453	65.1	2,899,107	75.6	1,421,989	75.1	1,722,861	77.8
Anti-infectives	966,603	31.5	1,022,060	28.4	593,465	15.5	303,034	16.0	256,022	11.6
Orthopedics	92,047	3.0	147,111	4.1	217,759	5.7	99,444	5.3	164,351	7.4
Others ⁽¹⁾	108,348	3.5	89,471	2.5	126,024	3.3	69,181	3.7	70,741	3.2
Total sales revenue of pharmaceuticals	3,064,106	100.0	3,604,095	100.0	3,836,355	100.0	1,893,647	100.0	2,213,975	100.0

Note:

- (1) Other therapeutic areas primarily include oncology, urology, neuroscience, and anti-allergy.

SUMMARY

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of our gross profit and gross profit margin by offering category for the periods indicated:

	Year Ended December 31,						Six Months Ended June 30,			
	2023		2024		2025		2025		2026	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Contracts with customers . . .	2,298,425	68.4	2,872,552	71.6	3,246,678	74.6	1,607,615	75.5	1,847,791	74.6
Innovative drugs	740,597	80.3	1,086,199	80.0	1,663,897	83.3	798,633	83.4	1,012,310	83.4
Other pharmaceuticals . . .	1,378,035	64.3	1,518,624	67.6	1,225,378	66.7	633,154	67.6	653,796	65.4
Medical devices	161,467	74.9	248,304	81.3	310,232	81.7	155,394	85.4	157,495	77.6
Others	18,326	22.1	19,425	19.5	47,171	35.0	20,434	37.6	24,190	39.4
Other sources	1,456	53.6	1,623	53.3	906	51.9	450	44.8	484	63.7
Total	2,299,881	68.3	2,874,175	71.6	3,247,584	74.6	1,608,065	75.5	1,848,275	74.6

Our overall gross profit margin increased from 68.3% in 2023 to 71.6% in 2024, and further increased to 74.6% in 2025. These increases were primarily due to (i) economies of scale of our innovative drugs as their sales ramped up, and (ii) the increased revenue contribution by innovative drugs and medical devices, which command higher gross profit margins compared to other pharmaceuticals. Our overall gross profit margin remained relatively stable at 75.5% and 74.6% in the six months ended June 30, 2025 and 2026, respectively.

Profit for the Year/Period

Our profit for the period increased from RMB375.4 million in the six months ended June 30, 2025 to RMB390.5 million for the same period of 2026, primarily due to an RMB348.2 million increase in our revenue, which was mainly attributable to an increase in revenue generated from sales of pharmaceuticals, partially offset by an RMB183.1 million increase in selling and distribution expenses and an RMB108.0 million increase in cost of sales.

Our profit for the year increased from RMB605.2 million in 2024 to RMB652.8 million in 2025, primarily due to an RMB340.4 million increase in our revenue, which was mainly attributable to an increase in revenue generated from sales of pharmaceuticals, partially offset by an RMB289.7 million increase in selling and distribution expenses and an RMB118.1 million increase in research and development costs.

Our profit for the year increased from RMB580.8 million in 2023 to RMB605.2 million in 2024, primarily due to an RMB646.9 million increase in our revenue, which was mainly attributable to an increase in revenue generated from sales of pharmaceuticals, partially offset by an RMB457.3 million increase in selling and distribution expenses.

SUMMARY

Summary of Consolidated Statement of Financial Position

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Total current assets	3,313,222	4,024,612	4,582,987	3,924,509
Total non-current assets	6,083,451	6,440,992	6,714,816	7,150,611
Total assets	9,396,673	10,465,604	11,297,803	11,075,120
Total current liabilities	815,084	1,112,967	2,014,043	1,936,248
Total non-current liabilities	526,163	600,321	229,804	447,515
Total liabilities	1,341,247	1,713,288	2,243,847	2,383,763
Net current assets	2,498,138	2,911,645	2,568,944	1,988,261
Net assets	8,055,426	8,752,316	9,053,956	8,691,357

Net Current Assets

Our net current assets increased from RMB2,498.1 million as of December 31, 2023 to RMB2,911.6 million as of December 31, 2024, primarily due to an RMB629.0 million increase in the net sum of increase in financial assets at fair value through profit or loss, increase in time deposits, and decrease in cash and cash equivalents. This factor was partially offset by an RMB238.5 million increase in other payables and accruals.

Our net current assets decreased from RMB2,911.6 million as of December 31, 2024 to RMB2,568.9 million as of December 31, 2025, primarily due to an RMB679.4 million increase in other payables and accruals, mainly in relation to our redemption liabilities, which were classified as current liabilities. This factor was partially offset by an RMB238.3 million increase in the net sum of decrease in financial assets at fair value through profit or loss, increase in time deposits, and decrease in cash and cash equivalents.

Our net current assets decreased from RMB2,568.9 million as of December 31, 2025 to RMB1,988.3 million as of June 30, 2026, primarily due to an RMB786.0 million decrease in the sum of decreases in financial assets at fair value through profit or loss, time deposits, and cash and cash equivalents, partially offset by an RMB108.2 million decrease in current interest-bearing bank loans.

Net Assets

Our net assets decreased from RMB9,054.0 million as of December 31, 2025 to RMB8,691.4 million as of June 30, 2026, primarily due to cash dividends of RMB613.1 million, partially offset by profit for the period of RMB390.5 million.

Our net assets increased from RMB8,752.3 million as of December 31, 2024 to RMB9,054.0 million as of December 31, 2025, primarily due to profit for the year ended December 31, 2025 of RMB652.8 million, partially offset by cash dividends of RMB557.4 million.

Our net assets increased from RMB8,055.4 million as of December 31, 2023 to RMB8,752.3 million as of December 31, 2024, primarily due to profit for the year ended December 31, 2024 of RMB605.2 million and grant and vesting of shares of RMB602.2 million, partially offset by cash dividends of RMB545.7 million.

SUMMARY

Summary of Consolidated Statement of Cash Flows

	Year Ended December 31,			Six Months Ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Net cash flows from operating activities	839,443	1,186,258	1,052,438	425,428	466,348
Net cash flows (used in)/from investing activities	(1,370,821)	(1,525,552)	(744,822)	(148,516)	131,677
Net cash flows from/(used in) financing activities	(705,504)	121,841	(453,859)	(522,735)	(618,553)
Net decrease in cash and cash equivalents	(1,236,882)	(217,453)	(146,243)	(245,823)	(20,528)
Cash and cash equivalents at beginning of year/period	2,550,976	1,318,161	1,104,655	1,104,655	944,307
Effect of foreign exchange rate changes, net	4,067	3,947	(14,105)	(4,490)	(14,712)
Cash and cash equivalents at end of year/period	1,318,161	1,104,655	944,307	854,342	909,067

We generated net cash flows from operating activities of RMB839.4 million, RMB1,186.3 million, RMB1,052.4 million, RMB425.4 million and RMB466.3 million in 2023, 2024, 2025, and the six months ended June 30, 2025 and 2026, respectively. For details, see “Financial Information—Liquidity and Capital Resources—Cash Flows.”

KEY FINANCIAL RATIOS

The table below sets forth our key financial ratios as of the dates indicated or for the periods indicated:

	As of/For the Year Ended December 31,			As of/For the Six Months Ended June 30,
	2023	2024	2025	2026
Current ratio ⁽¹⁾	4.1	3.6	2.3	2.0
Quick ratio ⁽²⁾	3.5	3.2	2.0	1.7
Gross profit margin (%) ⁽³⁾	68.3	71.6	74.6	74.6
Net profit margin (%) ⁽⁴⁾	17.3	15.1	15.0	15.8

Notes:

- (1) Current ratio is calculated as total current assets divided by total current liabilities.
- (2) Quick ratio is calculated as total current assets less inventories divided by total current liabilities.
- (3) Gross profit margin represents gross profit as a percentage of total revenue.
- (4) Net profit margin represents profit for the year/period as a percentage of total revenue.

SUMMARY OF MATERIAL RISK FACTORS

There are certain risks involved in our business and industry and the [REDACTED], many of which are beyond our control. The details are set out in the section headed “Risk Factors.” You should read that section in its entirety carefully before you decide to [REDACTED] in our H Shares. Some of the major risks we face include: (i) our business and prospects depend substantially on the success of our products and product candidates. If the development or commercialization

SUMMARY

processes are unsuccessful or prolonged, our profitability and business prospects could be adversely affected; (ii) the regulatory approval process of the NMPA, the U.S. FDA and other comparable regulatory authorities for our product candidates is lengthy and the result is unpredictable. Any failure to timely obtain these regulatory approvals could adversely affect our business prospects; (iii) decreases in the sales volume and price levels of our pharmaceutical products may adversely affect our revenue and profitability; (iv) we operate in a highly competitive environment, and we may not be able to compete effectively against current and future competitors, which could adversely affect our revenue and profitability; (v) failure to achieve or maintain market acceptance for our products could have an adverse impact on our profitability and business prospects; (vi) our sales may be affected by the level of medical insurance reimbursement patients receive for using our products; (vii) if we are unable to succeed in tender processes to sell our products to PRC public hospitals and other medical institutions, we may lose market share and our revenue and profitability could be adversely affected; (viii) we may experience difficulties in our sales efforts as a result of pricing regulations or other policies that are intended to reduce healthcare costs, which could adversely affect our operations, revenue and profitability; and (ix) we may incur impairment losses for goodwill and other intangible assets, which could adversely affect our results of operations.

RECENT DEVELOPMENTS

Business Developments

In July 2026, SAL0130’s NDA for the treatment of essential hypertension was accepted by the NMPA. SAL0130 is an FDC of an ARNi (XinChaoTuo) and a CCB (amlodipine). It is potentially the world’s first FDC of ARNi and CCB, according to Frost & Sullivan. In the same month, we initiated the Phase I clinical trial of SAL0167, our cyclic peptide targeting PCSK9, for the treatment of hyperlipidemia. Globally, as of the Latest Practicable Date, it was the only cyclic peptide targeting PCSK9 in active clinical development, according to Frost & Sullivan.

Repurchase of A Shares

As of the Latest Practicable Date, under a repurchase mandate approved by our Board on May 29, 2026, we completed the repurchase of 6,610,940 A Shares, representing 0.59% of our total issued share capital as of the Latest Practicable Date through our dedicated securities account via centralized bidding at a total consideration of approximately RMB212.45 million (excluding transaction fees). For further details, see “History—Establishment and Major Shareholding Changes of our Company—(6) Share Repurchase Mandate and Repurchase of A Shares” of this document.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since June 30, 2026, being the latest date of our consolidated financial statements as set out in Appendix I to this document, and there is no event since June 30, 2026 that would materially affect the information as set out in the Accountants’ Report included in Appendix I to this document.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Salubris HK held 635,279,380 A Shares, representing approximately 56.99% of the total issued share capital of our Company. As of the Latest Practicable Date, Salubris HK was owned as to 50% by each of Mei Zhou and Mr. Ye, and Mei Zhou was in turn owned as to 50% by each of Mr. Ye and Ms. Liu, the spouse of Mr. Ye. As such, Salubris HK, Mei Zhou, Mr. Ye and Ms. Liu constituted a group of Controlling Shareholders. Immediately

SUMMARY

following the completion of the [REDACTED] and assuming the [REDACTED] is not exercised, Salubris HK, Mei Zhou, Mr. Ye and Ms. Liu in aggregate will control approximately [REDACTED]% of our total issued share capital and will constitute a group of Controlling Shareholders.

OUR LISTING ON THE SHENZHEN STOCK EXCHANGE

Since September 2009, our A Shares have been listed on the Shenzhen Stock Exchange. Our Directors confirmed that our Group has complied with the rules of the Shenzhen Stock Exchange and other applicable securities laws and regulations of the PRC applicable to our A Share listing in all material respects during the Track Record Period and up to the Latest Practicable Date and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the [REDACTED] attention in relation to our compliance record on the Shenzhen Stock Exchange. Based on the filings on the website of the Shenzhen Stock Exchange and the information available in the public domain, our PRC Legal Advisor is of the view that our Company had complied with all applicable securities laws and regulations in the PRC in relation to its listing on the Shenzhen Stock Exchange in all material respects during the Track Record Period and up to the Latest Practicable Date, since our Company has not been subject to any material administrative penalties or regulatory measures imposed by the CSRC, Shenzhen Stock Exchange or other PRC securities regulatory authorities.

[REDACTED]

SUMMARY

FUTURE PLANS AND [REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED] (after deducting the [REDACTED] and other estimated expenses payable by us in connection with the [REDACTED]), assuming an [REDACTED] of HK\$[REDACTED] per H Share, being the [REDACTED] stated in this document, and assuming the [REDACTED] is not exercised, or approximately HK\$[REDACTED], if the [REDACTED] is exercised in full. We intend to use the [REDACTED] of the [REDACTED] for the following purposes: (i) approximately [REDACTED]%, or HK\$[REDACTED], will be allocated to our research and development for innovative drugs to continuously enhance our product matrix and innovation pipeline in CKM syndrome; (ii) approximately [REDACTED]%, or HK\$[REDACTED], will be allocated to enhance our manufacturing capabilities; (iii) approximately [REDACTED]%, or HK\$[REDACTED], will be allocated to potential global collaboration and strategic investments to further broaden our pipeline and enhance our innovation capabilities; (iv) approximately [REDACTED]%, or HK\$[REDACTED], will be allocated to our marketing network expansion and academic promotion to support the commercialization of our innovative products; and (v) the remaining amount of approximately [REDACTED]%, or HK\$[REDACTED], will be used to provide funding for our working capital and other general corporate purposes.

The above allocation of the [REDACTED] will be adjusted on a pro rata basis in the event that the [REDACTED] is fixed at a higher or lower level compared to the mid-point of the estimated [REDACTED].

DIVIDENDS

Any distributable profits that are not distributed in any given year will be retained and become available for distribution in subsequent years. Pursuant to our Articles of Association, the amount of the dividends distributed in a year should be at least 10% of our profits for the year that are available for distribution, and the amount of the dividends distributed in every three years should be at least 30% of our average profits for these three years that are available for distribution, subject to certain specified conditions. Apart from the principles for profit distribution set out in our Articles of Association, we had not adopted any formal dividend policy or specified dividend pay-out ratio as of the Latest Practicable Date. In April 2023, 2024, and 2025, and May 2026, we declared dividends of RMB545.7 million, RMB545.7 million, RMB557.4 million, and RMB613.1 million in respect of the years ended December 31, 2022, 2023, 2024, and 2025, respectively. As of the Latest Practicable Date, we had paid these dividends in full. See “Financial Information—Dividends” for more information on factors affecting our dividend distribution.

[REDACTED]