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### 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 ASI) and SAL0120 (a selective 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 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.

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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 Journey**

#### ***Success in Generic Drugs***

Established in 1998, we emerged as an early participant in China’s nascent pharmaceutical industry. Our first major breakthrough was TaiJia—China’s first-to-market clopidogrel generic for acute coronary syndrome and thrombosis prevention. We are the first in the world to offer a 25 mg formulation, optimized for Asian patients, offering favorable clinical benefits. Since its launch in 2000, TaiJia has won multiple honors, including the prestigious China Patent Gold Award for its innovative formulation, affirming our dedication to innovation.

With strict quality standards and over 40 post-marketing studies, TaiJia achieved peak annual sales of over RMB3 billion, which was the largest among domestically-developed clopidogrel drugs in nearly two decades, according to Frost & Sullivan. The landmark success of TaiJia validated our long-standing commitment to quality and innovation. This also earned us sustained trust from cardiovascular KOLs and core hospitals, which fuels our resolution to promote CKM health with safe and effective therapeutics.

#### ***Strategic Evolution Toward Innovative Drugs***

We have strategically pivoted to transform ourselves into an innovator since 2012. Key milestones in our evolution include:

- ***First innovative success.*** XinLiTan, our novel angiotensin II receptor blocker, was the first success story in our new strategic era. In October 2013, it was approved by the NMPA for the treatment of mild-to-moderate essential hypertension. XinLiTan is China’s first domestically-developed ARB, according to Frost & Sullivan. In 2025, XinLiTan, with a 29.1% market share in terms of in-hospital sales revenue, ranked first among all ARBs and third among all hypertension drugs approved in China, according to the same source. XinLiTan demonstrated a favorable efficacy profile, with particular benefits in managing nocturnal blood pressure and lowering uric acid, and has served as a cornerstone product, supporting the expansion of our portfolio of innovative hypertension therapies.
- ***Expanding global R&D excellence.*** We were among the first few Chinese pharmaceutical companies to assemble a dedicated R&D team in the United States, according to Frost & Sullivan. It accelerates our expansion into the global market, while strengthening our expertise in identifying and advancing novel, complex drug assets. We have initiated global multi-regional clinical trials in regions including China, North America and Europe, for a number of product candidates demonstrating global potential.

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- **A cascade of breakthroughs.** Since 2019, we have accelerated the advancement and commercialization of our key innovations. The following chart illustrates our major new product approvals:



This remarkable trajectory is driven by our profound commitment to R&D. Since 2020, our cumulative R&D investment (including the capitalized portion) has exceeded RMB5 billion, and our annual R&D investment as a percentage of our total revenue has consistently remained above 20%, peaking at 31% in 2023. In 2023, 2024, 2025, and the six months ended June 30, 2025 and 2026, our R&D investment as a percentage of our total revenue was 31.1%, 25.4%, 29.1%, 25.4%, and 25.0%, respectively.

### Path Forward

Looking ahead, we are dedicated to advancing the future of CKM health. Innovation remains central to our approach. We will continue to discover high-value targets, align them with optimal advanced modalities, and leverage our global R&D infrastructure to drive their clinical development, including through global multi-regional clinical trials. Powered by our translational and evidence-based medicine expertise, we strive to enable faster approvals and timely patient access to our innovative therapies.

### Our Market Opportunity

CKM syndrome reflects the interplay among metabolic risk factors, CKD, and the cardiovascular system:

- **High comorbidity.** Globally, hypertension patients frequently present with dyslipidemia (51%), diabetes (71%), renal insufficiency (38%), obesity (41%), and heart failure (15%), according to Frost & Sullivan. Treating in silos is insufficient.
- **Shared pathology.** Diseases like cardiovascular disease, CKD, and metabolic disease share common pathways—insulin resistance, chronic inflammation, and RAAS activation—creating a vicious cycle where each condition exacerbates the others.
- **Proven cross-indication potential.** The success of drugs such as GLP-1RAs and SGLT2 inhibitors, initially indicated for the treatment of diabetes, now positioned as cornerstones for the treatment of heart failure and CKD, validates the “cross-boundary” therapies, a paradigm central to our approach.

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.

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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. Our market opportunity is further enhanced by the following dynamics:

- **R&D barriers.** The CKM sector is characterized by high barriers to entry, particularly in the development of advanced technologies and innovative therapies. The overall success rate for innovative CKM drug development is only about 30% of the average across all therapeutic areas. Within this field, cardiovascular drug development is particularly challenging, with an R&D cycle substantially longer than the industry norm. This environment inherently favors players like us with extensive expertise, financial endurance, and integrated capabilities to navigate it successfully.
- **Patient loyalty.** 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. This ultimately yields high brand recognition and deep customer loyalty.

### 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:

- Stage 1 CKM includes individuals with excess adipose tissue, dysfunctional adipose tissue, or both. Excess adiposity is identified by either weight or abdominal obesity, and dysfunctional adipose tissue is reflected by impaired glucose tolerance and hyperglycemia. Globally, in 2025, patients at Stage 1 of the CKM syndrome accounted for 28.1% of all adults.
- Stage 2 CKM includes individuals with metabolic risk factors (hypertriglyceridemia, hypertension, metabolic syndrome, or type 2 diabetes), moderate- to high-risk CKD, or both. Globally, in 2025, patients at Stage 2 of the CKM syndrome accounted for 47.4% of all adults. 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.
- Stage 3 and 4 CKM include individuals with subclinical cardiovascular disease with overlapping CKM risk factors and individuals with clinical cardiovascular disease (coronary heart disease, heart failure, stroke, peripheral artery disease, or atrial fibrillation) overlapping with CKM risk factors, respectively. Globally, in 2025, patients at Stage 3 and 4 of the CKM syndrome accounted for 5.3% and 8.1% of all adults, respectively.

| CKM Stage 1                                  |                                                                         |                                                                   | CKM Stage 2                                                              |                                                                                   |                                                                  | CKM Stage 3-4                                            |                                                             |                                                                               | Others                                                 |                                                     |
|----------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------|--------------------------------------------------------------------------|-----------------------------------------------------------------------------------|------------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------------------------|--------------------------------------------------------|-----------------------------------------------------|
| Overweight/Obesity/<br>Metabolic Disease     |                                                                         |                                                                   | Dyslipidemia                                                             |                                                                                   |                                                                  | Chronic Heart Failure/<br>Atrial Fibrillation/Stroke     |                                                             |                                                                               | Orthopedic                                             | Oncology                                            |
| Hypertension                                 |                                                                         |                                                                   | Diabetes/MASH/<br>Alcoholism                                             |                                                                                   |                                                                  | CKD                                                      |                                                             |                                                                               | Biologics                                              | Chemicals                                           |
| Chemicals                                    | Chemicals                                                               | Chemicals                                                         | Chemicals                                                                | Chemicals                                                                         | Chemicals                                                        | Chemicals                                                | Biologics                                                   | Chemicals                                                                     | Biologics                                              | Chemicals                                           |
| SAL0112<br>GLP-1R<br>Obesity                 | XinFuTao<br>ARB<br>Hypertension<br>First in Chinese<br>Companies        | SAL0137<br>Lipid<br>Elevated Lipid                                | XinJiTun*<br>ARB<br>CKD<br>First in Chinese<br>Companies                 | XinJiTun*<br>ARB<br>CKD<br>First in Chinese<br>Companies                          | EnNaLuo<br>ARB<br>CKD<br>First in Chinese<br>Companies           | SAL007/JK07<br>CHF/GSPH<br>First in Class                | SAL0150<br>GLP-1R<br>Diabetic Nephropathy<br>Global Top 3   | EnNaLuo<br>HIF-PH<br>Renal Anemia (Dialysis)<br>First in Chinese<br>Companies | XinFuTai<br>PTH<br>Osteoporosis                        | EnNaLuo<br>HIF-PH<br>Chemotherapy-induced<br>Anemia |
| SAL0125<br>GLP-1R/GCGR<br>Obesity            | FuLiAn<br>ARB+Diuretic<br>Hypertension<br>First in Chinese<br>Companies | SAL0139<br>PCSK9<br>Dyslipidemia                                  | SAL0112<br>GLP-1R<br>Diabetes                                            | EnNaLuo<br>HIF-PH<br>Renal Anemia (Non-dialysis)<br>First in Chinese<br>Companies | XinChaoTuo<br>ARNI<br>CHF<br>First in Chinese<br>Companies       | XinJiTun*<br>ARB<br>CKD<br>First in Chinese<br>Companies | XinJiTun*<br>ARB<br>CKD<br>First in Chinese<br>Companies    | XinFuTai Pro<br>PTH<br>Osteoporosis                                           | XinFuTai Pro<br>PTH<br>Osteoporosis                    | Biologics                                           |
| Biologics                                    | SAL0130<br>ARNI+CCB<br>Hypertension<br>First in Class                   | SAL0195<br>Lipid<br>Elevated Lipid                                | SAL0140<br>AS1<br>Primary<br>Alcoholism<br>First in Chinese<br>Companies | SAL0120<br>ETAR<br>CKD<br>First in Chinese<br>Companies                           | XinChaoTuo<br>ARNI<br>CHF<br>First in Chinese<br>Companies       | XinJiTun*<br>ARB<br>CKD<br>First in Chinese<br>Companies | XinChaoTuo*<br>ARNI<br>CKD<br>First in Chinese<br>Companies | XinFuTai Plus<br>PTH<br>Osteoporosis<br>First in China                        | XinFuTai Plus<br>PTH<br>Osteoporosis<br>First in China | SAL006/JK06<br>ST4<br>Solid Tumors                  |
| SAL0150<br>GLP-1R<br>Obesity<br>Global Top 3 | SAL0140<br>AS1<br>Hypertension<br>First in Chinese<br>Companies         | Biologics                                                         | SAL0125<br>GLP-1R/GCGR<br>MASH                                           | SAL0140<br>AS1<br>CKD<br>First in Chinese<br>Companies                            | Medical Devices*                                                 | SAL0140<br>AS1<br>CHF<br>First in Chinese<br>Companies   | SAL0198<br>Receptor KOR Agonist<br>CKD-associated pruritus  | SAL0102<br>GPC3<br>Solid Tumors                                               | SAL023<br>SCS1<br>Osteoporosis                         | Biologics                                           |
|                                              | SAL0147<br>AT1/RETAR<br>Resistant Hypertension                          | SAL003<br>PCSK9<br>NCT<br>Hypertension<br>Best in Class           | SAL0145<br>HSD17B13<br>MASH                                              | SAL0147<br>AT1/RETAR<br>IgA/CKD<br>Companies                                      | Maurora<br>Neurointervention<br>First in Class                   | SaExten<br>Peripheral Vascular<br>Intervention           | LAMax LAAC<br>Structural Heart<br>Disease                   | SAL0114<br>Medscape<br>Multi-Targets<br>Depression/<br>AD Agitation           |                                                        | Chemicals                                           |
|                                              |                                                                         | SAL061<br>PCSK9<br>Hypertension<br>Global Top 2                   | Biologics                                                                | Biologics                                                                         | Gstream<br>Peripheral Vascular<br>Intervention<br>First in China | SOLUTION<br>Cardiovascular<br>Intervention               | SOLUTION<br>Cardiovascular<br>Intervention                  |                                                                               |                                                        |                                                     |
|                                              |                                                                         | SAL0167<br>PCSK9<br>Dyslipidemia<br>First in Chinese<br>Companies | SAL0150<br>GLP-1R<br>Diabetic Nephropathy<br>Global Top 3                | SAL0150<br>GLP-1R<br>Diabetic Nephropathy<br>Global Top 3                         | SwanGuard<br>Neurointervention                                   | Maurora (Gen 2)<br>Neurointervention                     | Sterable Introduce<br>System<br>Structural Heart<br>Disease |                                                                               |                                                        |                                                     |

As of the Latest Practicable Date, we had six marketed innovative drugs, comprising (i) four NME drugs, namely XinLiTan, XinChaoTuo, EnNaLuo, and XinLiTing, and (ii) two other innovative drugs, FuLiTan and FuLiAn. Except for SAL0130 and SAL023, all other innovative drug candidates listed above are NME drug candidates. NME drugs contain an active moiety that has not previously been approved for marketing. Other than NME drugs, innovative drugs also include modified new pharmaceuticals (such as novel fixed-dose combination of known active moieties) that have never been marketed.

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### OUR STRENGTHS

#### Comprehensive CKM Drug Portfolio with Broad Hypertension Coverage

##### *Leadership in Hypertension*

We have established a leading position in hypertension. Globally, we held the largest pipeline of NME hypertension drug candidates in IND or later stages of development as of the Latest Practicable Date, according to Frost & Sullivan.

We have strategically identified hypertension as our area of focus from the outset due to its high prevalence and substantial burden of premature deaths. In 2024, China’s population with hypertension was approximately 353 million, according to Frost & Sullivan. It was reported that the prevalence rate of hypertension among adults in China was as high as 27.5% between 2023 and 2024; however, the control rate was only 17%, far lower than that of developed countries, according to the same source.

We have established two cornerstone hypertension products, which are ARB- and ARNi-class therapeutics (also known as “A” regimen) for the first-line treatment of mild-to-moderate hypertension:

- **XinLiTan**, approved in October 2013, is China’s first domestically-developed ARB, according to Frost & Sullivan. In 2025, XinLiTan, with a 29.1% market share in terms of in-hospital sales revenue, ranked first among all ARBs and third among all hypertension drugs approved in China, according to the same source. XinLiTan demonstrates strong clinical benefits in the management of nocturnal hypertension, exhibits low drug-drug interaction, and offers strong uric acid lowering effect.
- **XinChaoTuo**, approved in May 2025, is China’s first and the world’s second ARNi, according to Frost & Sullivan. The complementary dual mechanisms of action of its two active ingredients lead to enhanced hypertension efficacy and cardio-renal protection. We are conducting further R&D to expand its indication for the treatment of chronic HFrEF, which is expected to further expand its market opportunity.

Clinically, more than half of patients experience inadequate blood pressure control with single-agent therapy. The treatment of more severe hypertension also typically begins with two-drug combination therapy, primarily RAAS inhibitors in combination with CCBs or diuretics (also known as “A+C” or “A+D” regimen). Based on the pronounced efficacy and safety profile of our two cornerstone products, we have developed a series of fixed-dose combinations (“FDCs”), addressing diverse medical needs of different patient segments:

- **FuLiTan**, approved in May 2024, is China’s first domestically-developed FDC of an ARB (XinLiTan) and a CCB (amlodipine), according to Frost & Sullivan. Leveraging the protective mechanism of allisartan, FuLiTan directly addresses the needs of high-risk patients requiring strict nocturnal blood pressure control by offering proven efficacy without the trade-off of CCB-induced edema.
- **FuLiAn**, approved in May 2025, is the world’s first FDC of an ARB (XinLiTan) and a thiazide-like diuretic (sustained-release indapamide), according to Frost & Sullivan. Its innovative mechanism of action and sustained-release design enable an effective blood pressure reduction, while minimizing diuretic-induced RAAS activation, hypokalemia, and hyperuricemia. FuLiAn is a preferred option among uncontrolled, salt-sensitive, and elderly hypertensive patients, as well as patients with risk of stroke.

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- **SAL0130** is potentially the world’s first FDC of an ARNi (XinChaoTuo) and a CCB (amlodipine), according to Frost & Sullivan. SAL0130 is suitable for patients with mild-to-severe hypertension, and patients who fail to achieve effective control with ARNi or CCB monotherapy. In July 2026, SAL0130’s NDA for the treatment of essential hypertension was accepted by the NMPA.

A significant number of patients do not achieve target blood pressure despite a triple regimen combining RAAS inhibitors, CCBs, and diuretics, a condition known as resistant hypertension. Resistant hypertension affects approximately 10% of the hypertensive population worldwide, representing a heavy disease burden. Long-term medication adherence further complicates the challenge in hypertension management. To address medical needs for uncontrolled and resistant hypertension and improve patient adherence, we are actively advancing the development of the following novel therapeutics:

- **SAL0132** is an siRNA therapeutic targeting AGT and is the second domestically-developed AGT siRNA candidate to have entered Phase II clinical trial for the treatment of hypertension in China, according to Frost & Sullivan. SAL0132 is expected to offer a dosing interval exceeding six months, representing a transformative paradigm for long-term adherence in hypertension management. SAL0132 is undergoing a Phase II clinical trial in patients with mild-to-moderate essential hypertension. The primary efficacy endpoint is the change from baseline in msSBP at Week 12. We have completed the Week 12 follow-up visits for evaluating the primary efficacy endpoint.
- **SAL0120** is a selective ETAR antagonist, with first-in-class potential for the treatment of uncontrolled or resistant hypertension in China, according to Frost & Sullivan. The long half-life of the active substance of SAL0120 reduces the peak-to-trough fluctuations and leads to an enhanced safety profile. SAL0120 is undergoing a Phase II clinical trial for the treatment of uncontrolled or resistant hypertension. The primary efficacy endpoint is the change from baseline in msSBP at Week 12. We have completed the Week 12 follow-up visits for evaluating the primary efficacy endpoint.
- **SAL0140** is a highly selective ASI and is the first domestically-developed ASI to have entered clinical development for the treatment of uncontrolled or resistant hypertension in China, according to Frost & Sullivan. SAL0140 reduces aldosterone production by competitively inhibiting aldosterone synthase. This novel mechanism of action offers a favorable option for patients with hypertension induced by aldosterone. SAL0140 is undergoing a Phase II clinical trial for the treatment of uncontrolled or resistant hypertension.

### *An Innovator in Dyslipidemia Management*

We have been driving innovation in dyslipidemia management. Globally, we held the largest pipeline of NME dyslipidemia drug candidates in IND or later stages of development as of the Latest Practicable Date, according to Frost & Sullivan. We enable comprehensive lipid management by targeting all key indicators (e.g., LDL-C and lipoproteins), modalities (e.g., small molecules, monoclonal antibodies (“**mAbs**”), cyclic peptides, siRNA drugs, and gene editing drugs), and therapeutic pathways (e.g., PCSK9, Lp(a), and ANGPTL3), seeking to meaningfully reduce residual cardiovascular risk.

Dyslipidemias are a key modifiable risk factor for cardiovascular disease. The global market for dyslipidemia drugs grew from US\$27.3 billion in 2021 to US\$39.8 billion in 2025, and is projected to reach US\$57.4 billion by 2030, according to Frost & Sullivan. In China, dyslipidemias affect approximately 512 million, or 36.3%, of the adult population, according to the same source.

Elevated low-density lipoprotein cholesterol (“**LDL-C**”), commonly known as high cholesterol, is the principal aspect of dyslipidemia and associated with an increased cardiovascular risk, particularly in atherosclerotic cardiovascular disease (“**ASCVD**”). Currently, statins are the

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first line of therapy for LDL cholesterol lowering in most clinical settings. However, a significant proportion of patients with high cholesterol do not achieve acceptable LDL-C levels using statins alone. PCSK9 has been extensively validated as a meaningful target for lowering LDL-C while reducing ASCVD risk. Globally, the market size for PCSK9-targeting therapies was US\$6.7 billion in 2025 and is projected to reach US\$16.7 billion by 2030 and US\$45.3 billion by 2035, representing a CAGR of 20.0% from 2025 to 2030 and 22.1% from 2030 to 2035.

Our strong pipeline of PCSK9-targeting drug candidates encompasses mAb, small-molecule inhibitor, gene-editing therapy, cyclic peptide, and dual-target siRNA. With options from oral pills to potential single-dose gene therapy, we aim to help patients achieve earlier, more durable, and more stable lipid control:

- **SAL003** is potentially the first anti-PCSK9 mAb in China formulated for delivery via an autoinjector, with a dosing interval of every four weeks, each treatment administered via a single subcutaneous dose, according to Frost & Sullivan. SAL003 is under BLA review by the NMPA for the treatment of hypercholesterolemia and mixed dyslipidemia.
- **SAL061** is 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, according to Frost & Sullivan. SAL061 is undergoing a Phase I clinical trial for the treatment of heterozygous familial hypercholesterolemia (“**HeFH**”).
- **SAL0139** is one of the few clinical-stage oral, small-molecule PCSK9 inhibitors worldwide, according to Frost & Sullivan. SAL0139 is undergoing a Phase II clinical trial for the treatment of hyperlipidemia.

Besides LDL-C, we have a number of preclinical and clinical-stage drug candidates targeting the other two lipoprotein pathways that drive ASCVD—triglyceride-rich lipoproteins and Lp(a). We aim to address the vast majority of residual cardiovascular risk. Notably, **SAL0137** is one of the few clinical-stage oral, small-molecule Lp(a) inhibitors worldwide. SAL0137 is undergoing a Phase II clinical trial.

### *A Strong Force in Promoting CKM Health*

We are building an integrated CKM ecosystem. Building upon our expertise in hypertension and hyperlipidemia—the central drivers of CKM risk—we are expanding into their major complications: heart failure, CKD, diabetes, and stroke. Our strategic expansion, powered by shared pathological insights, enables coordinated CKM therapies designed to slow disease progression and improve outcomes with multi-organ benefit.

**Heart Failure.** Heart failure is a chronic, progressive disease, which affects approximately 63 million patients globally, with all-cause mortality of 8.1% in diagnosed cases after one year. The three-year all-cause mortality rate among Chinese heart failure patients post-hospital discharge was 28.2%, with patients diagnosed with HFrEF experiencing a higher rate of 31.9%. The global market for heart failure drugs grew from US\$11.9 billion in 2021 to US\$29.7 billion in 2025, and is projected to reach US\$55.9 billion by 2030, according to Frost & Sullivan.

We have advanced two innovative drug candidates to clinical development for the treatment of heart failure:

- **XinChaoTuo**, approved in May 2025, is China’s first and the world’s second ARNi, according to Frost & Sullivan. XinChaoTuo is undergoing a Phase III clinical trial in patients with chronic HFrEF.

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- **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. By blocking ErbB3 signaling with antibody fusion design, JK07 (SAL007) selectively stimulates the ErbB4 pathway with a favorable pharmacokinetic profile, which has the potential to significantly widen the therapeutic window of NRG-1 and yield better clinical effects. JK07 (SAL007) is undergoing clinical development for the treatment of HFrEF, HFpEF, and combined pre- and post-capillary pulmonary hypertension (“**cpcPH**”).

**CKD and Renal Anemia.** Hypertension and CKD are closely interlinked pathophysiologic states, such that sustained hypertension can lead to worsening kidney function and progressive decline in kidney function can conversely lead to worsening blood pressure control.

- ARBs, such as our **XinLiTan**, have been recommended for the treatment of kidney disease in a number of CKD prevention and treatment guidelines. We are also investigating **SAL0120** (a selective ETAR antagonist) and **SAL0140** (a highly selective ASI) in the treatment of CKD. Notably, SAL0120 is among the first three ETAR antagonist drug candidates that have advanced to Phase II clinical trials for the treatment of CKD, according to Frost & Sullivan.

Our in-depth expertise covers both CKD and renal complications. CKD affects approximately 120 million, or 10.8%, of the Chinese adult population, of whom over 50% suffer from anemia, according to Frost & Sullivan. Renal anemia is primarily caused by the decreased ability to produce erythropoietin (“**EPO**”) in the kidney associated with renal dysfunction.

- **EnNaLuo**, approved in June 2023, is a next-generation HIF-PHI approved for the treatment of renal anemia. EnNaLuo is administered orally in a convenient once-daily dose, and demonstrates stable hemoglobin (“**Hb**”) level increase, potent hepcidin lowering effect, and low thrombosis risk. Since its commercial launch, EnNaLuo has achieved rapid market penetration. As of the Latest Practicable Date, EnNaLuo had been available in over 1,800 hospitals nationwide. In 2025, EnNaLuo, with an 8.4% market share in terms of in-hospital sales revenue, ranked second among all HIF-PHI drugs in China, according to Frost & Sullivan.

**Metabolic Diseases.** Our innovation in metabolic diseases is centered on overweight and obesity, type 2 diabetes, and MASH.

- **XinLiTing**, approved in June 2024, is a DPP-4 inhibitor for the treatment of type 2 diabetes with enhanced safety profile, characterized by a low incidence of common adverse reactions to DPP-4 inhibitors such as nasopharyngitis.
- **SAL0150** is the world’s third oral, once-weekly GLP-1RA to have entered clinical development, according to Frost & Sullivan. SAL0150 is undergoing a Phase I clinical trial.
- **SAL0145** is the world’s third HSD17B13-targeting siRNA therapeutic to have entered clinical development for the treatment of MASH, according to Frost & Sullivan. SAL0145 is undergoing a Phase I clinical trial.

### Robust Global Innovation Anchored in Clinical-Stage Assets With Blockbuster Potential

Thanks to our global R&D engine, we have achieved numerous breakthroughs in identifying and advancing novel, complex drug assets. This is evidenced by two lead programs, each a novel, complex asset targeting a multi-billion-dollar market. With validated biology and engineered designs, they are rationally designed to overcome limitations in existing therapies for cardiovascular disease and oncology.

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### ***Lead Cardio R&D Program: JK07 (SAL007)***

JK07 (SAL007) is an NRG1-ErbB3 antibody fusion protein. It targets the vast and expanding global heart failure market, a critical disease affecting tens of millions with a high unmet need for disease-modifying therapies. This substantial addressable market of chronic heart failure drugs, valued in excess of US\$100 billion, according to Frost & Sullivan, represents significant commercial potential.

JK07 (SAL007) is currently undergoing a global multi-regional Phase II clinical trial in patients with HFrEF and HFpEF, across more than 60 sites in the United States, Canada, China, and Puerto Rico. We have completed enrollment for the HFrEF cohort and are currently enrolling patients in the HFpEF cohort in the ongoing Phase II trial. In addition, we initiated an open-label Phase IIa clinical trial to evaluate JK07 (SAL007) in patients with cpcPH due to heart failure, a population with no approved treatment options and a poor prognosis. Approximately 50% of chronic heart failure patients are affected by cpcPH, according to Frost & Sullivan.

### ***Lead Oncology R&D Program: JK06 (SAL006)***

JK06 (SAL006) is a 5T4-targeting antibody drug conjugate. 5T4 is an oncofetal protein that is overexpressed in a variety of solid tumors, including lung and breast cancers, two of the largest oncology markets globally, and is associated with a poor prognosis and more aggressive tumor progression. The biparatopic design of JK06 induces faster and more robust internalization into 5T4 expressing tumor cells.

JK06 (SAL006) is undergoing a multi-regional Phase I/II open-label, dose-escalation and expansion study across eight sites in Europe, in patients with solid tumors known to express the protein 5T4. In the expansion cohort, JK06 (SAL006) has demonstrated durable activity broadly in multiple subtypes of NSCLC and breast cancer, as well as a favorable safety profile.

Together, these two lead programs underscore our strength in executing global clinical development. With a growing pipeline across our global R&D network, we aim to translate proven biology into therapies thoughtfully designed to be safer and more effective, with the goal of delivering meaningful patient benefit.

### **Efficient and Advanced Drug Discovery and Development**

We have evolved from a fast-follower to an innovator. Our integrated R&D engine is built on four core elements.

#### ***Our comprehensive technology platforms create a solid foundation.***

We have established a comprehensive suite of advanced technology platforms. These include five core drug technology platforms, spanning small molecules, antibodies, peptides, siRNA, and gene editing, an integrated AIDD/CADD platform that supports our drug discovery and design, as well as a dedicated medical device development platform. The versatility of these platforms allows us to select the optimal therapeutic modality for each clinical need—from daily, oral therapies to potential one-time interventions. As of the Latest Practicable Date, these platforms had generated 21 small molecule candidates, 19 small nucleic acid (such as siRNA and AOC) candidates, 16 antibody (such as mAb and BsAb) candidates, nine peptide and cyclic peptide candidates, and three fusion protein candidates.

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Additionally, we have applied advanced computational tools in over 40 projects, including assets such as SAL0140 (a highly selective ASI) and SAL0147 (a dual angiotensin type 1 receptor/endothelin receptor type A (“AT1R/ETAR”) antagonist). This boosts the efficiency and success rate of uncovering molecules with favorable activity and properties. For instance, we discovered SAL0167 (a cyclic peptide) from nearly 20 molecules in just three months.

***Our hybrid model ensures we pursue the best opportunities.***

We employ a disciplined, pragmatic approach to developing our pipeline. To this end, we strategically harmonize internal innovation and strategic external sourcing.

We require each program to demonstrate a clear clinical differentiation and a viable path to becoming a leading therapy with superior safety and efficacy profiles. We continually raise this bar, making our product selection process increasingly stringent. If a high-priority target in our focused area is not best addressed through internal development, whether due to a missed strategic window or significant hurdles in creating a differentiated profile, we retain the flexibility to explore and in-license external opportunities.

***Our efficient clinical development propels the market access.***

We translate scientific innovation into clinical assets, leveraging our strong clinical development capabilities in China and globally. Since 2018, we have completed 111 IND submissions and 12 NDA/BLA submissions.

Our Phase III clinical trial for XinChaoTuo was the first hypertension clinical trial by a Chinese company that has enrolled over 1,000 participants, according to Frost & Sullivan. Furthermore, we have initiated global multi-regional clinical trials (including in China, North America and Europe), for a number of products demonstrating global potential such as JK06 (SAL006) and JK07 (SAL007). We are the first Chinese company that has initiated global multi-regional clinical trials for the treatment of heart failure, according to Frost & Sullivan.

With decades of effort, we systematically accelerated our drug development timeline. For example, FuLiTan obtained marketing approval just 3.5 years after IND clearance, while EnNaLuo (indicated for renal anemia) completed the same journey in under 3 years. In addition, SAL0140 transitioned rapidly from receiving clinical trial approval to achieving the “first patient, first visit” (“FPFV”) milestone in its Phase II clinical trial within just six months, and completed enrollment of patients with mild-to-moderate renal impairment in only one month. SAL0139 further demonstrated our rapid early-phase execution, progressing from clinical trial approval to the FPFV milestone in its Phase I clinical trial in only 13 days.

***Our product lifecycle expertise extends the impact of every innovation.***

We are committed to maximizing the lifetime value of our assets. Through strategic franchise expansion and extensive post-marketing studies, we seek to expand the clinical evidence and commercial reach of every innovation. This approach broadens patient coverage, leverages existing infrastructure, and solidifies our market share in targeted therapeutic areas.

Our allisartan-based hypertension franchise exemplifies such a model of systematic, science-led expansion. Starting with XinLiTan (an ARB), we developed three follow-on products: XinChaoTuo (an ARNi), FuLiTan (an FDC of ARB and CCB), and FuLiAn (an FDC of ARB and thiazide-like diuretic). We have also advanced SAL0130 (an FDC of ARNi and CCB) to the NDA stage. As of the Latest Practicable Date, our approved hypertension drugs had been recommended in over 20 Chinese hypertension authoritative treatment guidelines and expert consensuses.

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Our osteoporosis franchise demonstrates the same disciplined expansion. We first addressed this critical public health need with XinFuTai, a teriparatide injection (formulated as lyophilized powder for injection). Subsequently, we launched XinFuTai Pro, the first domestically-developed teriparatide injection that is administered via an autoinjector subcutaneously once daily, which rapidly captured a large market share. Later on, we further advanced this franchise with XinFuTai Plus, a teriparatide biosimilar to Teribone that is formulated as a once-weekly teriparatide lyophilized powder for injection, designed to improve patient adherence by overcoming the inconvenience of daily injections. In May 2026, XinFuTai Plus was approved by the NMPA for the treatment of osteoporosis in postmenopausal women at high risk of fracture.

### **Drug-Device Synergy Fueled by a Strong Medical Device Portfolio**

We differentiate ourselves from our peers with a “drug-device synergy” in the CKM sector. This integrated model strengthens our comprehensive solutions and sustainable competitive advantage in chronic disease management. While global markets exhibit balanced drug and device sales, China’s medical device segment is still under penetrated, indicating a significant growth opportunity. In addition, drug-eluting medical devices, through a combination of physical and pharmacological solutions, offer more targeted diagnostic and therapeutic options for the treatment of CKM syndrome, to prevent the onset of severe complications and recurrence of symptoms. With an integrated offering of both drugs and medical devices, we enhance clinical pathways and patient engagement, aligning with established medical practices that require comprehensive care.

Maurora, our flagship medical device, is the world’s first sirolimus eluting vertebral artery stent (“VAS”) system, according to Frost & Sullivan. The superior flexibility and deliverability, combined with a demonstrated 67% reduction in vertebral artery restenosis rates and fewer device-related adverse events, led to a wide market adoption. As of the Latest Practicable Date, Maurora had been sold to more than 2,800 hospitals across China, and had been implanted in over 114,000 vascular interventional therapy cases. In 2025, Maurora ranked first in China’s VAS drug eluting system market, with a market share of 69.9% in terms of sales revenue, according to Frost & Sullivan.

Our medical device segment represents another strategic pillar of our success. As of the Latest Practicable Date, we had a total of 17 medical devices and a pipeline of 18 medical device candidates. Their indications span across neuro-intervention, coronary intervention, peripheral vascular intervention, and structural heart disease, directly addressing complications related to CKM conditions, such as hypertension, stroke, and atherosclerosis. Our medical device candidates include (i) Gstream, potentially China’s first drug eluting peripheral artery stent system, (ii) Neurora, an intracranial drug eluting stent system, and (iii) Swanrora, an intracranial self-expanding drug-eluting stent system. Notably, our strong portfolio of drug eluting stent systems, including Maurora, Neurora, and Swanrora, complemented by balloon and access devices, provides comprehensive interventional treatment solutions for ischemic cerebrovascular diseases. In December 2024 and November 2025, Gstream and Swanrora were designated for the NMPA’s innovative medical device special review and approval procedure, commonly known as the “Green Path.” Medical device candidates qualified for this selective program are entitled to enhanced regulatory support throughout the registration process and priority review.

### **Deeply Integrated Commercial Operations Built for Impactful Care**

Our commercial success is built on an integrated model that unites strong brand positioning, extensive market reach, and a deep commitment to social accountability. Our approach is specifically designed for chronic disease medication, where establishing early patient adoption is paramount.

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### ***Enduring Brand Anchored in Product Differentiation***

We create our enduring brand position by anchoring it in the specific advantages of our differentiated product offerings. To this end, we integrate market intelligence into our discovery process, focusing our R&D on addressing specific, high-value unmet needs that translate into strong clinical differentiation. The success of XinLiTan exemplifies this. In 2025, XinLiTan, with a 29.1% market share in terms of in-hospital sales revenue, ranked first among all ARBs and third among all hypertension drugs approved in China, according to Frost & Sullivan. Its positioning as “the ARB for nocturnal hypertension management” had driven long-term use and secured its recommendation in 20 key guidelines and consensuses as of the Latest Practicable Date.

### ***Deep Engagement Within Medical Community***

As of June 30, 2026, we had assembled an experienced in-house sales and marketing team of over 1,800 professionals. Identifying high-potential customers for chronic disease sales is often challenging. To address this, we carefully classify our target hospitals and specialties, then align dedicated professional coverage and customize the range of promoted products. Thanks to these efforts, as of June 30, 2026, our extensive commercial reach had covered over 86,000 hospitals and over 93,000 retail pharmacies across over 30 provincial regions in China.

### ***Tailored Approach for Increased Market Adoption***

Leveraging our highly specialized salesforce, we carefully tailor our marketing approach to expand the market adoption of our different types of products. We conduct extensive academic promotions to deepen the medical community’s understanding and appreciation of respective advantages and targeted patient groups of our innovative drugs. In addition, we actively pursue the inclusion of our innovative drugs in government-sponsored medical insurance programs. As of the Latest Practicable Date, all of our marketed innovative drugs had been included in the NRDL. Despite potential price reductions, securing NRDL inclusion provides substantial long-term value through expanded market access and accelerated patient adoption. With respect to generic drugs, we actively pursue their inclusion in centralized procurement programs, strengthening our market competitiveness through cost optimization and stringent quality control.

### ***From Product Provider to Patient Lifecycle Partner***

Over the years, our products have delivered consistent clinical benefits for patients. We consider postmarketing studies a critical driver in maximizing the lifetime value of each asset. The resulting evidence is key to guiding physicians, supporting label expansions, and ultimately benefiting more patients. In addition, we consider it our core social responsibility to deliver more impactful therapies and comprehensive support for chronic diseases. To fulfill this commitment, we actively support government-led public health initiatives.

During the Track Record Period, our commercialization efforts have led to solid financial performance. 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.

### ***Highly Experienced Management Supported by Industry Veterans in the CKM Sector***

Our seasoned management team consists of industry veterans with deep expertise in the CKM sector. Their leadership and profound industry insights have been instrumental in steering our strategic transformation into an innovation frontrunner and cementing our competitive edge in the field.

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Mr. Kevin Sing Ye, our Executive Director and chairman of the Board, has over 20 years of experience in China’s pharmaceutical industry. Mr. Ye serves in multiple industry associations and has deep insights into the healthcare sector. His global perspective and strategic foresight have successfully led our transformation into an innovation-driven pharmaceutical company. Under Mr. Ye’s leadership, we have gathered a professional, efficient and dedicated management team, which drives our continued growth and success:

- *Mr. Jie Yan*, our Executive Director and general manager, is primarily responsible for our overall business operations. Mr. Yan has been with us for 20 years. With extensive professional and management experience in pharmaceutical R&D, manufacturing, quality control, and sales, Mr. Yan has played a critical role in our transformation and development.
- *Dr. Sam Murphy*, chief executive officer of Salubris Biotherapeutics, Inc., our U.S. subsidiary, is primarily responsible for guiding the strategic planning and operational execution of our clinical and preclinical programs. We benefit from his over 20 years of experience in global strategic consulting, transaction advisory services, translational biomedical research, and government policy.
- *Dr. Junming Ye*, our chief scientific officer of biologics, leads our biologic research and innovative drug development. With over 20 years of experience at Pfizer, Amgen and MSD, Dr. Ye has successfully led multiple drug discovery projects from concept to clinical development. He has initiated the GIPR mAb program, as well as led and/or contributed to the development of a number of metabolic disease drugs.
- *Dr. Jane (Lijuan) Wang*, our chief scientific officer of chemical drugs, leads our chemical drug research and innovative drug development. With over 30 years of experience at leading pharmaceutical companies, she has held senior roles at Pfizer, WuXi AppTec and Apollomics. Dr. Wang has a proven track record of advancing clinical-stage assets, building R&D platforms and pipelines, and creating long-term value through novel therapies for patients worldwide.

Our management team is backed by a deep bench of high-caliber scientists and experts. As of June 30, 2026, we had assembled a team of over 850 R&D professionals, 44.1% of whom hold a master’s degree, Ph.D. or M.D. Many bring extensive experience in R&D and commercialization from internationally leading multinational pharmaceutical companies and renowned research institutes. We benefit from their multi-disciplinary expertise in areas such as pharmaceutical sciences, chemistry, pharmacology, biology, medicine, pharmaceuticals and pharmaceutical analysis.

### OUR STRATEGIES

Under our patient-centric approach, we are committed to delivering meaningful clinical benefits in areas where patient needs are not currently met. Our goal is to further solidify and expand our presence in the treatment of chronic diseases, particularly in CKM syndrome. To achieve this goal, we plan to execute the following strategic initiatives:

#### Strengthen Our CKM-Focused Product Matrix

We are committed to advancing innovative drug development for CKM syndrome and driving treatment paradigm shifts. Our strategy begins with our established presence in hypertension, a key risk factor in the CKM syndrome, and expands into the other cardiovascular diseases, as well as cerebrovascular, renal, metabolic, oncology, and orthopedic diseases.

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Over the next 12 months, we intend to continue to advance the development of our drug candidates into clinical or later stages—(i) **XinChaoTuo (S086)**: we expect to submit the NDA of S086 to the NMPA for the treatment of chronic HFrEF in 2026; (ii) **SAL003**: we expect to receive the NMPA registration approval of SAL003 for the treatment of dyslipidemia in the first half of 2027; (iii) **SAL0120**: we expect to advance SAL0120 to Phase III clinical trials in patients with hypertension in late 2026 or early 2027 and in patients with CKD in the second quarter of 2027; (iv) **SAL061**: we expect to initiate the extension stage of its Phase I clinical trial in patients with HeFH in 2027; and (v) **JK06 (SAL006)**: we expect to initiate a Phase II clinical trial in the second half of 2026. To advance these plans, we expect to allocate approximately HK\$[REDACTED] out of the [REDACTED] to the development of clinical-stage drug candidates. For details, see “Future Plans and [REDACTED].”

We will leverage our extensive medical networks to conduct targeted Phase IV and real-world studies for our marketed products. These initiatives aim to extend the commercial lifespans of our product portfolio by securing label expansions, exploring combination therapies, and achieving guideline inclusion as standard-of-care treatments. To support these initiatives, we expect to allocate approximately HK\$[REDACTED] million out of the [REDACTED] to the Phase IV studies of EnNaLuo and XinChaoTuo. For details, see “Future Plans and [REDACTED].” We also intend to capitalize on our unique drug-device combinations to unlock additional therapeutic and commercial potential.

Furthermore, we may seek strategic in-licensing, licensing-out and co-development partnerships, where we believe that external resources and expertise could accelerate the clinical development or maximize the market potential of our product candidates, or where such collaborations could expand our internal capabilities.

### Expand Our Global Presence

We are committed to accelerating our global expansion across R&D, strategic collaboration, and human capital while strengthening our international presence.

*R&D.* Our strategy includes proactively launching global multi-regional clinical trials. Through partnerships with leading global medical institutions, we will generate robust clinical data that meet international standards and support regulatory submissions in key markets. Our goal is to secure facilitated regulatory pathways from overseas regulators, enabling faster approvals and timely patient access to our innovative therapies.

*Strategic collaboration.* We will explore in-licensing, co-development, and strategic investment opportunities. We aim to identify and acquire innovative compounds with novel mechanisms of action and advanced modalities. In parallel, we will seek technologies that are complementary to our existing capabilities. This enables us to accelerate the path of our quality compounds to the global market and address critical gaps in the treatment of CKM syndrome worldwide. We expect to allocate approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], to potential global collaboration and strategic investments to further broaden our pipeline and enhance our innovation capabilities. For details, see “Future Plans and [REDACTED].”

*Talent pool.* To support our globalization efforts, we plan to attract, retain, and motivate high-caliber world-class talent. Our talent strategy is focused on leading talent across R&D, manufacturing, commercialization, and operations, with a particular focus on CKM syndrome. We believe that top-tier experts and skilled professionals are crucial for driving our extensive efforts in innovation, production, and market access, ensuring that we remain at the forefront of our industry.

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*Brand impact.* We will actively participate in global academic conferences and seminars to showcase our R&D achievements and enhance our brand’s influence and recognition. By publishing our discoveries and clinical data in high-impact international journals, we aim to demonstrate the scientific rigor and potential of our products and pipeline. Furthermore, we will foster connections with global peers and top medical institutions, strengthening our brand’s awareness and demonstrating our commitment to promoting CKM health on a global scale.

### **Broaden Market Opportunities for Commercial Success**

For a chronic disease medication, the initial launch represents a critical, time-limited window to establish long-term prescribing habits and patient loyalty. To capitalize on this window, we will continue to execute a phased, targeted approach that fuels the commercial success of our product portfolio as more drug candidates advance toward regulatory submission. This approach begins with a tiered marketing strategy that classifies target hospitals and specialties by their expertise, potential and influence. We will deploy our dedicated in-house professionals to focus on key high-priority markets, while contracting with external partners for logistics, sales and marketing support to ensure a broad and effective coverage in lower-tier cities and rural regions. This structured prioritization will enable us to adequately support market development activities and achieve our launch objectives in a timely and resource-efficient manner.

To drive market adoption, we will enhance our academic promotion by supporting targeted research and communication events, and deepening collaborations with top-tier institutions and key opinion leaders. Physicians look to peer experts and key opinion leaders in the medical community for guidance in research, diagnosis and treatment. We believe these academic promotion initiatives, along with the resulting peer-to-peer interaction, will be instrumental in enhancing the awareness of our products’ favorable safety and efficacy profile, and ultimately driving their adoption in clinical practice.

More importantly, we will accelerate systemic market access by proactively facilitating the inclusion of our products in NRDL and other government-sponsored insurance programs. This serves as a key to unlock China’s vast in-hospital markets, driving significant volume growth that often offsets negotiated price concessions, leading to higher revenue and profitability at scale. In addition, to enhance our reach in out-of-hospital settings, we plan to enhance our offline penetration into large pharmacy chains, clinics, and independent drugstores, while also expanding into e-commerce channels to capture online markets and broaden patient access.

In overseas markets, our commercialization will be guided by a product-led strategy. At its core is our robust portfolio of well-validated products, recognized for their favorable safety and efficacy profiles. To bring these innovations to international markets, we seek to collaborate with established, reputable pharmaceutical distributors. By leveraging their extensive networks and expertise, we aim to accelerate our market entry and achieve an efficient rollout of our products in our targeted markets.

To support the foregoing strategies, we expect to allocate approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], to our marketing network expansion and academic promotion to support the commercialization of our innovative products. For details, see “Future Plans and [REDACTED].”

### **Enhance Manufacturing Capabilities and Supply Chain**

To support our growing pipeline, we will continue improving our manufacturing processes, systems, and technologies to strengthen an extensive range of manufacturing programs spanning from IND-enablement through NDA/BLA preparation for our product candidates. In addition, we are expanding our manufacturing know-how and expertise across small molecules, small nucleic

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acids (such as siRNA and AOC), cyclic peptides and standard and complex biologics (e.g., antibodies, fusion proteins and ADCs), as well as novel medical devices. We will continue implementing strict quality control testing for batch-to-batch consistency to provide quality products.

We will further invest in automation, facilities, and operating infrastructure to increase the manufacturing capacity at our facilities and improve operating efficiency. To this end, we plan to introduce state-of-the-art technologies to enable real-time product monitoring, intelligent scheduling, automated quality control, as well as predictive equipment maintenance. In furtherance of the foregoing, we expect to allocate approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], to expand our production capacity and enhance the automation of our manufacturing systems. For details, see “Future Plans and [REDACTED].” As we expand our global footprint, we intend to establish manufacturing facilities in key markets to enhance our manufacturing capacity. We are committed to the goal of complying with stringent global GMP standards, including EU GMP, U.S. cGMP, and ICH guidelines, to ensure world-class safety and quality. We believe these investments well position us for future growth.

Furthermore, we will strengthen the resilience of our supply chain. We believe that a reliable and robust supply chain will enable us to advance our product research programs and clinical development, and well position us to scale and meet commercial demands of our innovative therapeutics in the CKM sector.

## OUR DRUGS AND DRUG CANDIDATES

We have built a broad and diversified drug portfolio. As of the Latest Practicable Date, we had 44 marketed drugs, including six innovative drugs. 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 total revenue was RMB2,479.1 million, an increase of 16.3% from RMB2,131.0 million for the same period of 2025. As of the Latest Practicable Date, we had a total of 90 drug candidates, including 79 innovative drug candidates (73 self-developed; one co-developed; five in-licensed), eight generic drug candidates (all self-developed), and three biosimilar drug candidates (all self-developed). We did not out-license any rights of these drug candidates. They are focused on key therapeutic areas in the CKM sector, including hypertension, dyslipidemia, heart failure, CKD, obesity, diabetes, and MASH, as well as orthopedics, autoimmune diseases, and infectious diseases.

### Our Major Marketed Drugs

In terms of sales revenue, our major marketed drugs comprise XinLiTan, TaiJia, FuLiTan, and EnNaLuo, which in aggregate contributed 62.0% of our total sales revenue of pharmaceuticals in the six months ended June 30, 2026. 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 <sup>(1)</sup> | 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 <sup>(2)</sup> | Inclusion in VBP (Y/N) |
|-----------------------------------|------------------------|-----------------------------|-----------------------|-------------------|----------------------------|---------------------------------|---------------------------------------------------------|------------------------|
| Cardiovascular Diseases . . . . . | XinLiTan               | ARB                         | Hypertension          | 1L                | 2013                       | 2017                            | End of 2025 <sup>(3)</sup>                              | 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 <sub>12</sub> inhibitor | Thrombosis prevention | 1L                | 2000                       | 2004                            | N/A <sup>(4)</sup>                                      | Y <sup>(5)</sup>       |

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*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 “—Our Drugs and Drug Candidates—Generics.”

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         |
|                    | <b>1,480,293</b>        | <b>48.3</b> | <b>1,895,547</b> | <b>52.6</b> | <b>2,380,905</b> | <b>62.1</b> | <b>1,165,829</b>          | <b>61.6</b> | <b>1,372,323</b> | <b>62.0</b> |

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                    |

The following sets forth our discussions of material fluctuations in the sales revenue and retail price of our major marketed drugs during the Track Record Period:

- **XinLiTan.** The retail price of XinLiTan remained relatively stable from 2023 to 2025. As market adoption increased, the sales revenue of XinLiTan was on a steady growth over the same period. Subsequent to the NRDL re-negotiation, we lowered the retail price of XinLiTan in 2026. Effective January 1, 2026, XinLiTan has been transitioned to routine catalog management under the NRDL, and will not be subject to re-negotiations.
- **TaiJia.** The retail price and sales revenue of TaiJia were primarily affected by China’s centralized procurement programs. Under the downward pricing pressure, the retail price of TaiJia decreased throughout the Track Record Period. TaiJia won the national VBP follow-on procurement, effective from the end of March 2026. Driven by the expanded hospital coverage nationwide, the sales revenue of TaiJia in the six months ended June 30, 2026 was higher than that in the same period of 2025.

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- ***FuLiTan***. We commercialized FuLiTan in May 2024. In November 2024, FuLiTan was included in the NRDL, resulting in a downward pricing adjustment in 2025. Nevertheless, increased hospital penetration and stronger physician endorsement, driven by its proven efficacy in hypertension, offset the price reduction and generated substantial sales growth from 2024 to 2025, and from the first half of 2025 to the same period in 2026.
- ***EnNaLuo***. We commercialized EnNaLuo in the second half of 2023. In December 2023, EnNaLuo was included in the NRDL, resulting in a downward pricing adjustment in 2024. Despite the price reduction, its NRDL inclusion, together with the growing physician recognition of its favorable efficacy and safety profiles, drove significant sales growth from 2023 to 2025. In September 2025, the approved indication for EnNaLuo was expanded, which further contributed to its sales growth in the first half of 2026.

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Our Selected Drug Candidates

As of the Latest Practicable Date, we had 79 pipeline innovative drugs. The following chart sets forth certain information on our selected drug candidates in various stages of development as of the Latest Practicable Date:

| Therapeutic Area                      | Name        | Target        | Product Type                   | Indication                               | IND Preparation | IND | Phase I | Phase II | Phase III | NDA/BLA | Rights           | Source         |
|---------------------------------------|-------------|---------------|--------------------------------|------------------------------------------|-----------------|-----|---------|----------|-----------|---------|------------------|----------------|
| Cardio-vascular<br>“C”                | SAL0130     | ARNi/CCB      | Co-crystal, FDC Small Molecule | Hypertension                             |                 |     |         |          |           |         | Global           | Self-developed |
|                                       | SAL0120     | ETAR          | Small Molecule                 | Resistant Hypertension                   |                 |     |         |          |           |         | Global           | Self-developed |
|                                       | SAL0140     | ASI           | Small Molecule                 | Resistant Hypertension                   |                 |     |         |          |           |         | Global           | Self-developed |
|                                       | SAL0132     | AGT           | siRNA                          | Hypertension                             |                 |     |         |          |           |         | Greater China    | In-licensed    |
|                                       | SAL0147     | AT1R/ETAR     | Small Molecule                 | Resistant Hypertension                   |                 |     |         |          |           |         | Global           | Self-developed |
| Cardio-vascular<br>“C”                | SAL003      | PCSK9         | mAb                            | Dyslipidemia                             |                 |     |         |          |           |         | Chinese Mainland | Co-developed   |
|                                       | SAL0137     | Lp(a)         | Small Molecule                 | Elevated Lp(a)                           |                 |     |         |          |           |         | Global           | Self-developed |
|                                       | SAL0139     | PCSK9         | Small Molecule                 | Dyslipidemia                             |                 |     |         |          |           |         | Global           | Self-developed |
|                                       | SAL061      | PCSK9         | Gene Editing                   | Dyslipidemia                             |                 |     |         |          |           |         | Chinese Mainland | In-licensed    |
|                                       | SAL0167     | PCSK9         | Cyclic Peptide                 | Dyslipidemia                             |                 |     |         |          |           |         | Global           | Self-developed |
| CHF                                   | SAL0195     | Lp(a)         | siRNA                          | Elevated Lp(a)                           |                 |     |         |          |           |         | Global           | Self-developed |
|                                       | XinChaoTuo  | ARNi          | Small Molecule Co-crystal      | HFrEF                                    |                 |     |         |          |           |         | Global           | Self-developed |
|                                       | SAL007/IK07 | NRG1-ErbB3    | Antibody Fusion Protein        | HFrEF/HFrEF/cpePH                        |                 |     |         |          |           |         | Global           | Self-developed |
|                                       | SAL0140     | ASI           | Small Molecule                 | CHF                                      |                 |     |         |          |           |         | Global           | Self-developed |
|                                       | SAL0120     | ETAR          | Small Molecule                 | CKD                                      |                 |     |         |          |           |         | Global           | Self-developed |
| Kidney<br>“K”                         | SAL0140     | ASI           | Small Molecule                 | CKD                                      |                 |     |         |          |           |         | Global           | Self-developed |
|                                       | SAL0150     | GLP-1R        | Polypeptide                    | CKD                                      |                 |     |         |          |           |         | Global           | Self-developed |
|                                       | SAL0147     | AT1R/ETAR     | Small Molecule                 | CKD                                      |                 |     |         |          |           |         | Global           | Self-developed |
|                                       | SAL0198     | KOR           | Small Molecule                 | CKD-associated Pruritus                  |                 |     |         |          |           |         | Greater China    | In-licensed    |
|                                       | SAL0112     | GLP-1R        | Small Molecule                 | Diabetes/Obesity                         |                 |     |         |          |           |         | Global           | Self-developed |
| Metabolic<br>“M”                      | SAL0140     | ASI           | Small Molecule                 | Primary Aldosteronism                    |                 |     |         |          |           |         | Global           | Self-developed |
|                                       | SAL0125     | GLP-1R/GCGR   | Polypeptide                    | Diabetes/Obesity/ MASH                   |                 |     |         |          |           |         | Chinese Mainland | In-licensed    |
|                                       | SAL0150     | GLP-1R        | Polypeptide                    | Diabetes/Obesity/ MASH                   |                 |     |         |          |           |         | Global           | Self-developed |
|                                       | SAL0145     | HSD17B13      | siRNA                          | MASH                                     |                 |     |         |          |           |         | Global           | Self-developed |
|                                       | SAL006/IK06 | 5T4           | ADC                            | Solid Tumors                             |                 |     |         |          |           |         | Global           | Self-developed |
| Orthopedic, Oncology and Psychotropic | SAL0114     | Multi Targets | Small Molecule, FDC            | Depression/Alzheimer’s Disease Agitation |                 |     |         |          |           |         | Global           | Self-developed |
|                                       | SAL023      | SOST          | mAb                            | Osteoporosis                             |                 |     |         |          |           |         | Global           | Self-developed |
|                                       | EnNaLuo     | HIF-PHI       | Small Molecule                 | Chemotherapy-induced Anemia              |                 |     |         |          |           |         | Greater China    | In-licensed    |
|                                       | SAL012      | GPC3          | ADC                            | Solid Tumors                             |                 |     |         |          |           |         | Global           | Self-developed |

 Exempt from Phase II clinical trial

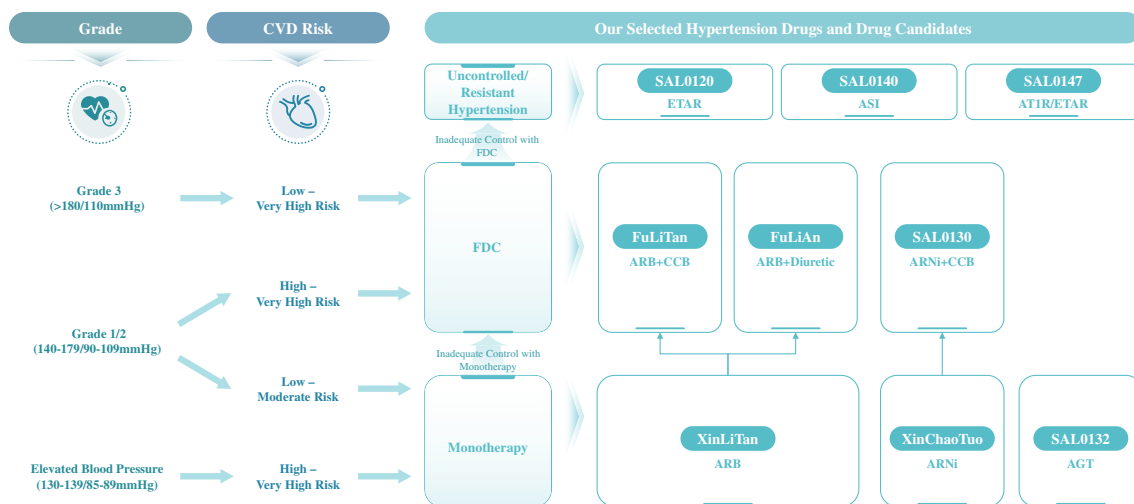
For details of our material collaboration and in-licensing arrangements, see “—Material Collaboration and Licensing Agreements.”

## BUSINESS

### Hypertension

Globally, we held the largest pipeline of NME hypertension drug candidates in IND or later stages of development as of the Latest Practicable Date, according to Frost & Sullivan. Although hypertension is among the most common cardiovascular diseases, its etiology is complex and multifactorial. Accordingly, effective prevention and treatment require a multi-dimensional approach. We design our hypertension product portfolio scientifically based on guideline recommendations and pharmacological mechanisms of action.

- Full grade.** Hypertension can be classified into three severity grades based on blood pressure measurements: mild, moderate and severe. To address each grade, we have built a portfolio of single-agent therapies and FDCs, with ARB and ARNi-class drugs forming the foundation of our development strategy.



- Full type.** Hypertension can be classified into primary and secondary types based on its underlying cause. For example, some cases of resistant hypertension are actually caused by hyperaldosteronism, a form of secondary hypertension, in which traditional hypertension medications often show limited efficacy. To address this, we have developed an ASI with a novel mechanism of action, which is currently undergoing Phase II clinical studies.
- Full stage.** We offer therapies tailored to patients’ target organ damage, clinical complications and comorbidities. For instance, ARBs and ARNis are particularly effective in improving left ventricular hypertrophy and heart failure. FDCs of ARBs and diuretics offer enhanced benefit for patients with the risk of stroke. ETAR antagonists demonstrate advantages in reducing proteinuria and improving renal function. ASIs can offer a targeted therapy for heart failure and renal injury driven by elevated aldosterone. The following chart is illustrative of our differentiated hypertension drug portfolio that offers an integrated management of hypertension, complications, and comorbidities:

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|                                | XinLiTan<br>(ARB) | XinChaoTuo<br>(ARNi) | FuLiTan<br>(ARB+C) | FuLiAn<br>(ARB+D) | SAL0130<br>(ARNi+C) | SAL0132<br>(AGT) | SAL0120<br>(ETAR) | SAL0140<br>(ASi) | SAL0147<br>(ATiR/ETAR) |
|--------------------------------|-------------------|----------------------|--------------------|-------------------|---------------------|------------------|-------------------|------------------|------------------------|
| Left Ventricular Hypertrophy   | +                 | ++                   | +                  | +                 | ++                  | +                | +                 | +                | +                      |
| Coronary Heart Disease         | +                 | +                    | ++                 | +                 | ++                  | +                | +                 | +                | +                      |
| Atherosclerosis                | +                 | +                    | ++                 | +                 | ++                  | +                | ++                | +                | +                      |
| Atrial Fibrillation Prevention | +                 | +                    | +                  | +                 | +                   | +                | +                 | +                | +                      |
| Heart Failure                  | +                 | ++                   | +                  | ++                | +                   | +                |                   | ++               | +                      |
| Proteinuria                    | +                 | +                    | +                  | +                 | +                   | +                | ++                | ++               | +                      |
| CKD                            | +                 | ++                   |                    | +                 |                     | +                | ++                | ++               | +++                    |
| Stroke                         | +                 | +                    | +                  | ++                | +                   | +                | +                 | +                | +                      |
| Hyperuricemia                  | +                 | +                    | +                  |                   | +                   | +                | +                 | +                | +                      |
| Metabolic Syndrome             | +                 | +                    | +                  |                   | +                   | +                | +                 | +                | +                      |
| Elderly Hypertension           | +                 | ++                   | +++                | +++               | ++                  | +                | +                 | +                | +                      |
| Primary Aldosteronism          | +                 | +                    | ++                 | ++                | ++                  | +                | +                 | +++              | +                      |

Notes:

- (1) The above information is based on guideline recommendations and pharmacological mechanisms, including *Chinese Guidelines for the Prevention and Treatment of Hypertension (2024 Revision)*, and Frost & Sullivan analysis
- (2) “+” indicates the level of efficacy

XinLiTan (Allisartan Isoproxil Tablets) (信立坦 (阿利沙坦酯片))

XinLiTan is a novel angiotensin II (“**Ang II**”) receptor blocker (“**ARB**”), which is China’s first domestically-developed ARB. In October 2013, XinLiTan was approved by the NMPA for the treatment of mild-to-moderate essential hypertension. In 2025, XinLiTan, with a 29.1% market share in terms of in-hospital sales revenue, ranked first among all ARBs and third among all hypertension drugs approved in China, according to Frost & Sullivan.

ARBs are a first-line treatment for mild-to-moderate hypertension. They selectively inhibit the binding of Ang II to the angiotensin type 1 (“**AT1**”) receptor. This inhibition leads to vasodilation, reduced aldosterone secretion, and decreased blood pressure. Key advantages of XinLiTan are summarized as follows.

1. Potent Hypertension Efficacy

XinLiTan demonstrates potent anti-hypertensive effects in patients with mild-to-moderate essential hypertension, with a high achievement rate for blood pressure control. In a multi-center, prospective, open-label Phase IV clinical trial, where a total of 2,212 patients were enrolled, after four weeks of once-daily monotherapy of XinLiTan (240 mg), the mean reductions from baseline systolic/diastolic blood pressure (“**SBP/DBP**”) were 14.7/8.0 mmHg ( $p<0.001$ ), and the blood pressure control rate reached 68.8% (n=2,126).

2. Potent Nocturnal Effect

Nocturnal hypertension is highly prevalent, with even higher prevalence rates observed in elderly hypertensive patients and those with comorbid diabetes or CKD. Among treated hypertensive patients in China, the nocturnal blood pressure control rate is as low as 27.2%. Nocturnal hypertension significantly increases the risk of target organ damage and cardio-renal events. It is the strongest predictor of all-cause and cardiovascular mortality risk, with a predictive power six times greater than that of conventional office blood pressure measurements. For every 20 mmHg increase in nocturnal SBP, the risk of cardiovascular mortality rises by approximately 36%, according to Frost & Sullivan.

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Several studies have demonstrated the superior advantage of XinLiTan in nocturnal blood pressure control. For example, in a Phase IV clinical trial to evaluate the efficacy of XinLiTan for the treatment of mild-to-moderate essential hypertension, after 12 weeks of treatment of XinLiTan as monotherapy, the mean reduction in daytime and nighttime ambulatory SBP was 9.94 mmHg and 10.42 mmHg, respectively. A meta-analysis of 77 studies involving 13,314 patients with mild-to-moderate hypertension also explored the efficacy of ARBs on nocturnal blood pressure reduction. This meta-analysis demonstrated that (i) for patients with mild-to-moderate hypertension, XinLiTan has more advantages in nocturnal blood pressure reduction among ARBs, and (ii) XinLiTan can reduce nighttime blood pressure more than daytime blood pressure and improve the dipping pattern. Notably, XinLiTan was the only ARB that demonstrated a greater-than-one nocturnal-diurnal blood pressure drop ratio in the meta-analysis. The potent nocturnal blood pressure control of XinLiTan has been recognized by the *Chinese Expert Consensus on Nocturnal Hypertension Management* and the *Asian Expert Consensus on Nocturnal Hypertension Management*.

### 3. Low Drug-Drug Interaction

For patients with hypertension, particularly high-risk individuals with metabolic abnormalities, the drug’s metabolic pathway and long-acting properties are of critical importance. XinLiTan is meticulously formulated as an esterified prodrug. Unlike losartan, a widely used ARB which undergoes liver metabolism to generate various metabolites, XinLiTan can be hydrolyzed by esterases and directly converted into the active substance EXP3174 (*i.e.*, allisartan) after absorption by the gastrointestinal tract. Its metabolism does not involve any hepatic cytochrome P450 subfamilies of enzymes. This distinctive metabolic process reduces hepatic burden and significantly lowers the incidence of interaction between different drugs and adverse drug reactions, demonstrating favorable safety and tolerability.

### 4. Validated Uric Acid Lowering Effect

Hypertensive patients frequently experience abnormal uric acid metabolism. In China, 38.7% of hypertensive patients also suffer from hyperuricemia, according to Frost & Sullivan. XinLiTan is a preferred choice for hypertensive patients with hyperuricemia. EXP3174 (allisartan), the active substance of XinLiTan, can inhibit uric acid uptake by directly blocking urate transporter 1, a key urate transporter, and reducing uric acid levels in blood.

In a multi-center, prospective, open-label, single-arm Phase IV clinical trial, in the subgroup of hypertensive patients with hyperuricemia who received XinLiTan as monotherapy (n=326), after 12 weeks of treatment, the mean reduction from baseline serum uric acid level was 36.2  $\mu\text{mol/L}$  ( $p<0.0001$ ). A meta-analysis of 172 studies involving 16,226 hypertensive patients with hyperuricemia explored the effect of hypertension drugs on serum uric acid levels. This meta-analysis demonstrated the uric acid-lowering effect of XinLiTan was superior to that of losartan and other ARBs, ACEIs, and CCBs.

In 2018, XinLiTan’s compound patent was awarded a gold medal at the 20th China Patent Awards for its ground breaking innovation. As of the Latest Practicable Date, XinLiTan had been recommended by 20 authoritative treatment guidelines and expert consensus.

### ***XinChaoTuo (Sacubitril Allisartan Calcium Tablets) (信超妥 (沙库巴曲阿利沙坦钙片))***

XinChaoTuo, also known as S086, is China’s first domestically-developed novel angiotensin receptor-neprilysin inhibitor (“ARNi”) and the second-in-class globally, according to Frost & Sullivan. In May 2025, XinChaoTuo was approved by the NMPA for the treatment of essential hypertension.

## BUSINESS

ARNi is a class of drug-drug co-crystals with dual mechanisms of action, combining the clinical benefits of both ARB (as described above) and neprilysin inhibitor (“NEPi”). Inhibiting neprilysin enhances the natriuretic peptides system, which holds several clinical benefits, including natriuresis, diuresis, control of blood pressure, anti-fibrotic effects and reversing maladaptive changes in the heart and vascular tissue.

XinChaoTuo is an ARNi of allisartan and sacubitril. Our innovative co-crystal formation provides XinChaoTuo with the following superior pharmacological characteristics:

- *Fixed 1:1 molar ratio.* The components of XinChaoTuo—allisartan and sacubitril—feature a fixed 1:1 molar ratio. This enables molecular-level bundling during co-crystallization to maintain structural stability.
- *Synchronous peak concentration of ARNi components.* We shorten the difference in the time it takes for two components of XinChaoTuo to reach their maximum concentration to as short as 0.2 hours. This coordinated action ensures potent AT1 receptor blockade by the ARB, while mitigating potential RAAS-related activation effects induced by the NEPi.
- *Longer half-life of the ARB component.* LBQ657, an active metabolite of sacubitril, has a half-life of 12.2 hours, while allisartan has a longer half-life of 13.6 hours. This enables a sustained ARB activity to fully counteract the negative RAAS-related effects induced by the NEPi, reducing fluctuations in blood pressure.
- *Rational drug dosage of ARNi components.* XinChaoTuo is designed to dose both components within an optimal range, which allows the ARNi to deliver maximal efficacy and a well-tolerated safety profile.

We conducted a randomized, double-blind, Phase III clinical trial to evaluate the efficacy and safety of XinChaoTuo in comparison to olmesartan in Chinese patients with mild-to-moderate hypertension. Primary efficacy endpoint was a reduction in mean sitting SBP (“msSBP”) from baseline at Week 12. Results demonstrated that at Week 12, XinChaoTuo (240 mg/d) provided a greater reduction in msSBP than olmesartan (for noninferiority), and XinChaoTuo (480 mg/d) provided a significantly greater reduction in msSBP than olmesartan (for superiority), as set forth in the table below:

|                              | Patients<br>included in<br>analysis | Change from baseline<br>in msSBP at Week 12,<br>LSM (SE) | LSM difference vs.<br>olmesartan (95% CI) | p value |
|------------------------------|-------------------------------------|----------------------------------------------------------|-------------------------------------------|---------|
| XinChaoTuo (240 mg/d) . .    | 391                                 | -25.1 (0.9) mmHg                                         | -1.9 (-4.2 to 0.4) mmHg                   | 0.0007  |
| XinChaoTuo (480 mg/d) . .    | 393                                 | -28.2 (0.9) mmHg                                         | -5.0 (-7.3 to -2.8) mmHg                  | <0.001  |
| Olmesartan (20 mg/d) . . . . | 392                                 | -23.2 (0.9) mmHg                                         | /                                         | /       |

In addition, we performed a separate analysis that evaluates the blood pressure-lowering efficacy of XinChaoTuo in comparison to olmesartan in Chinese hypertensive patients with a non-dipping blood pressure pattern. Nighttime non-dipping pattern was defined as mean nighttime (10 p.m. to 6 a.m.) ambulatory blood pressure fall of less than 10% versus daytime (6 a.m. to 10 p.m.) ambulatory blood pressure. Of the 1,197 randomized patients of the trial, 497 (41.5%) patients had a nighttime non-dipping pattern and were included in this analysis. At Week 12 of treatment, in terms of SBP, the prevalence of patients with dipping was significantly ( $p \leq 0.019$ ) higher in the XinChaoTuo 240 and 480 mg groups than in the olmesartan 20 mg group, which was 46.9% and 47.9% versus 33.7%. The reductions in nighttime msSBP were significantly greater with both doses of XinChaoTuo compared with olmesartan (20 mg). The between-treatment difference is -3.1 (95% CI: -5.7 to -0.5) mmHg ( $p=0.02$ ) for XinChaoTuo (240 mg) and -5.7 (95% CI: -8.2 to -3.2) mmHg ( $p<0.001$ ) for XinChaoTuo (480 mg).

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We seek to expand the indication of XinChaoTuo for the treatment of heart failure. We are currently conducting a randomized, double-blind, positive-drug (sacubitril valsartan) parallel controlled, multi-center Phase III trial of its efficacy and safety in patients with chronic HFrEF.

### *FuLiTan (Allisartan Isoproxil and Amlodipine Tablets) (复立坦 (阿利沙坦酯氨氯地平片))*

FuLiTan is the first domestically-developed FDC of an ARB (allisartan) and a calcium channel blocker (“CCB”) (amlodipine), according to Frost & Sullivan. In May 2024, FuLiTan was approved by the NMPA for the treatment of essential hypertension. FuLiTan is a convenient, single-pill option, which offers a potent nocturnal blood pressure control, achieving a 24-hour blood pressure management.

FuLiTan has demonstrated strong efficacy in hypertension management. We conducted Phase III clinical trials to evaluate the efficacy and safety of FuLiTan (240 mg allisartan/5 mg amlodipine) among patients whose blood pressure remains uncontrolled after 12 weeks of treatment with either amlodipine (5 mg) or allisartan (240 mg). Major results are set forth as follows:

|                                       | Patients<br>included in<br>analysis | Change from baseline in<br>msSBP after 12 weeks, LSM | Between-group LSM<br>difference (95% CI) | p value |
|---------------------------------------|-------------------------------------|------------------------------------------------------|------------------------------------------|---------|
| Allisartan/amlodipine (240 mg/5 mg) . | 146                                 | -15.7 mmHg                                           | -5.4 (-8.81 to -2.01) mmHg               | 0.0019  |
| Amlodipine (5 mg) . . . . .           | 147                                 | -10.2 mmHg                                           | /                                        | /       |

|                                       | Patients<br>included in<br>analysis | Change from baseline in<br>msSBP after 12 weeks, LSM | Between-group LSM<br>difference (95% CI) | p value |
|---------------------------------------|-------------------------------------|------------------------------------------------------|------------------------------------------|---------|
| Allisartan/amlodipine (240 mg/5 mg) . | 97                                  | -18.3 mmHg                                           | -9.0 (-13.53 to -4.45) mmHg              | <0.001  |
| Allisartan (240 mg) . . . . .         | 98                                  | -9.3 mmHg                                            | /                                        | /       |

FuLiTan offers a favorable safety profile through the complementary mechanisms of action of the ARB and CCB components. Safety results in these Phase III clinical trials demonstrated that the adverse reactions to FuLiTan are generally mild and transient, with most resolving spontaneously or alleviating after symptomatic treatment.

FuLiTan enables a potent 24-hour blood pressure management. As described above, XinLiTan is recommended for nocturnal blood pressure control. Amlodipine, with an ultra-long half-life of 30 to 50 hours, is the preferred medicine for reducing morning blood pressure surge. Results from a Phase III clinical trial demonstrated that at Week 12, FuLiTan achieved a mean reduction in nocturnal SBP of 19.1 mmHg from baseline, superior to 11.8 mmHg for the allisartan group, and FuLiTan achieved a mean reduction in morning SBP of 6.3 mmHg from the baseline, superior to the 0.7 mmHg for the amlodipine group.

A meta-analysis of seven clinical studies explored the health care resource use costs, adherence, and persistence between groups of patients taking hypertension drugs as single-pill combinations versus free-equivalent components. Results demonstrated that, as a single-pill combination, FuLiTan led to improved adherence, which increased by approximately 8% in patients initially treated and approximately 14% in patients previously treated. Another meta-analysis of 44 clinical studies explored the adherence to single-pill versus free-equivalent combination therapy in hypertension. Results demonstrated that FuLiTan further reduced the SBP by 3.99 mmHg, compared with the free-equivalent combination therapy of allisartan and amlodipine.

## BUSINESS

### ***FuLiAn (Allisartan Isoproxil and Indapamide Sustained-Release Tablets) (复立安(阿利沙坦酯/达帕胺缓释片))***

FuLiAn is the world’s first FDC of an ARB (XinLiTan) and a thiazide-like diuretic (sustained-release indapamide), according to Frost & Sullivan. In May 2025, FuLiAn was approved by the NMPA for the treatment of essential hypertension. FuLiAn affords a convenient, single-pill option for salt-sensitive, elderly hypertensive patients, as well as patients with risk of stroke.

Indapamide is an established thiazide-like diuretic that effectively reduces blood pressure through a dual mechanism of action. It blocks renal sodium reabsorption to promote diuresis and reduces peripheral vascular resistance to improve arterial compliance. FuLiAn is formulated as core-coated tablets. It incorporates an industry-first sustained-release design, which can effectively mitigate the hypokalemia risk associated with indapamide. FuLiAn demonstrates a favorable safety profile, evidenced by a reduced incidence of low serum potassium and a mitigated increase in serum uric acid.

We conducted a multi-center, randomized, double-blind, parallel-controlled Phase III clinical trial to evaluate the efficacy and safety of FuLiAn (240 mg allisartan/1.5 mg indapamide) in patients with essential hypertension uncontrolled with allisartan (240 mg). After 12 weeks, the LSM reduction in msSBP was -15.2 mmHg for the FuLiAn group versus -9.9 mmHg for the allisartan group, resulting in a between-group difference of -5.3 (95% CI: -9.25, -1.34) mmHg ( $p<0.05$ ). Importantly, in the FuLiAn group, serum potassium decreased by 0.04 mmol/L from baseline, with only 2.47% and 0.82% of participants experiencing serum potassium levels below 3.4 mmol/L and 3.2 mmol/L, respectively.

### ***SAL0130***

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.

SAL0130 offers triple mechanisms of action, which incorporates the efficacy of the “A+C” regimen and enhances natriuretic peptides system. This can provide sustained protection for target organs, thereby delaying the onset and progression of cardiovascular, cerebrovascular, and renal complications induced by hypertension.

We have completed two Phase III clinical trials to evaluate the efficacy and safety of sacubitril allisartan in combination with amlodipine versus amlodipine and sacubitril allisartan in patients with essential hypertension, respectively. Results demonstrated that after 12 weeks, sacubitril allisartan in combination with amlodipine provided a greater reduction in msSBP than each monotherapy. The following tables set forth the respective between-group LSM differences in these trials:

|                                                                  | Patients<br>included in<br>analysis | Change from baseline in<br>msSBP after 12 weeks, LSM | Between-group LSM<br>difference (95% CI) | <i>p</i> value |
|------------------------------------------------------------------|-------------------------------------|------------------------------------------------------|------------------------------------------|----------------|
| Sacubitril allisartan (240 mg)<br>plus amlodipine (5 mg) . . . . | 247                                 | -21.31 mmHg                                          | -9.83 (-12.61 to -7.05) mmHg             | <0.001         |
| Amlodipine (5 mg) . . . . .                                      | 125                                 | -11.48 mmHg                                          | /                                        | /              |

|                                                                  | Patients<br>included in<br>analysis | Change from baseline in<br>msSBP after 12 weeks, LSM | Between-group LSM<br>difference (95% CI) | <i>p</i> value |
|------------------------------------------------------------------|-------------------------------------|------------------------------------------------------|------------------------------------------|----------------|
| Sacubitril allisartan (240 mg)<br>plus amlodipine (5 mg) . . . . | 173                                 | -23.59 mmHg                                          | -8.28 (-11.28 to -5.28) mmHg             | <0.001         |
| Sacubitril allisartan (240 mg) . .                               | 173                                 | -15.32 mmHg                                          | /                                        | /              |

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In both Phase III clinical trials, sacubitril allisartan in combination with amlodipine also provided significant reductions ( $p<0.05$ ) in msDBP, 24-hour mean blood pressure, 24-hour mean daytime blood pressure, and nocturnal blood pressure, compared to each monotherapy. In addition, data from the whole 52-week treatment of sacubitril allisartan in combination with amlodipine in these Phase III clinical trials showed no increased incidence in adverse events over time, indicating its good long-term safety and tolerability.

In July 2026, SAL0130’s NDA for the treatment of essential hypertension was accepted by the NMPA.

### **SAL0120**

SAL0120 is a selective ETAR antagonist, with first-in-class potential for the treatment of uncontrolled or resistant hypertension in China, according to Frost & Sullivan. It is among the first three ETAR antagonist drug candidates that have advanced to Phase II clinical trials for the treatment of CKD, according to the same source. ETARs are particularly suitable for patients with uncontrolled or resistant hypertension, as well as patients with CKD accompanied by macroalbuminuria.

*Hypertension.* Results of a Phase I clinical trial demonstrated that the half-life of the active substance of SAL0120 is approximately 25.833 to 36.385 hours, whose peak concentration was only one half to one third times the positive-control treatment. A reduced peak-to-trough fluctuation leads to an enhanced safety profile, directly lowering the risk of edema associated with high peak concentrations of drug in blood. SAL0120 is undergoing a Phase II clinical trial in patients with uncontrolled or resistant hypertension. The primary efficacy endpoint is the change from baseline in msSBP at Week 12. We have completed the Week 12 follow-up visits for evaluating the primary efficacy endpoint. Globally, as of the Latest Practicable Date, there was only one marketed ETAR antagonist indicated for the treatment of hypertension, which has not yet been marketed in China, according to Frost & Sullivan.

*CKD.* Preclinical efficacy data demonstrated that SAL0120 provided additional benefits beyond the ARB monotherapy. It significantly improved urine albumin-to-creatinine ratio (“UACR”) and renal pathology in a 5/6 nephrectomy rat model of CKD, while also slowing disease progression. SAL0120 is undergoing Phase II clinical trials in patients with different types of CKDs, including diabetic nephropathy, IgA nephropathy, hypertensive nephropathy, focal segmental glomerulosclerosis (FSGS), membranous nephropathy, and other nephritis. Globally, as of the Latest Practicable Date, there was no ETAR antagonist approved for the treatment of CKD, according to Frost & Sullivan.

### **SAL0140**

SAL0140 is a highly selective aldosterone synthase inhibitor (“ASI”) and is the first domestically-developed ASI to have entered the clinical development for the treatment of uncontrolled or resistant hypertension in China, according to Frost & Sullivan. SAL0140 shows high potency and selectivity against aldosterone synthase. This novel mechanism of action is suitable for treating uncontrolled or resistant hypertension, primary aldosteronism, and CKD associated with elevated aldosterone level.

*Hypertension.* In preclinical and Phase I clinical studies, SAL0140 significantly inhibited aldosterone production without affecting cortisol. It exhibited superior antihypertensive efficacy and more sustained blood pressure-lowering effects compared to the positive-control treatment. SAL0140 is currently undergoing a Phase II clinical trial in patients with uncontrolled or resistant hypertension. Globally, as of the Latest Practicable Date, there was only one marketed ASI indicated for the treatment of hypertension, which has not yet been marketed in China, and SAL0140 was one of the only three ASIs under clinical development for the treatment of hypertension, according to Frost & Sullivan.

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*CKD*. In preclinical studies, SAL0140 significantly ameliorated renal pathology. SAL0140 is currently undergoing a Phase II clinical trial for the treatment of CKD. Globally, as of the Latest Practicable Date, there was no ASI approved for the treatment of CKD, and SAL0140 was one of the only four ASIs under clinical development for the treatment of CKD, according to Frost & Sullivan.

### ***SAL0132***

SAL0132 is an siRNA therapeutic targeting AGT. It is designed to inhibit the RAAS pressor effect at its source. SAL0132 offers enhanced patient adherence and safety profile, compared to therapies inhibiting angiotensin-converting enzyme or AT1 receptors.

Interim results of its Phase I clinical trial (data cutoff as of February 28, 2026) were presented at the American College of Cardiology Annual Scientific Session 2026. Healthy and hypertensive participants were randomized to four cohorts receiving SAL0132 or placebo. Cohorts 1-2 included healthy participants and cohorts 3-4 included hypertensive patients. A single dose of SAL0132 showed favorable safety and tolerability. It produced rapid and sustained AGT suppression and BP reductions. Specifically, (i) among 24 participants, serum AGT reductions >90% were achieved by week two in cohorts 2-4 and maintained through follow-up (up to month 10 in cohorts 1-3); (ii) the most pronounced blood pressure reduction effect was observed in cohort 3, achieving reductions of around 25/13 mmHg at month 3 and month 6; and (iii) a notable effect on DBP was observed in cohort 4, achieving a 16 mmHg reduction at week 2 and sustaining approximately 17 mmHg reduction through month 6. In addition, a single dose of SAL0132 sustained a 20/10 mmHg reduction in blood pressure for ten months in cohort 3, indicating the potential of once-yearly injection.

SAL0132 is currently undergoing a Phase II clinical trial in patients with mild-to-moderate essential hypertension. The primary efficacy endpoint is the change from baseline in msSBP at Week 12. We have completed the Week 12 follow-up visits for evaluating the primary efficacy endpoint. It is the second domestically-developed AGT siRNA candidate to have entered the Phase II clinical trial for the treatment of hypertension in China, according to Frost & Sullivan. As of the Latest Practicable Date, three other AGT siRNA drug candidates had entered Phase II clinical trials for the treatment of hypertension in China, according to the same source.

SAL0132 is an in-licensed drug candidate. For details, see “—Material Collaboration and Licensing Agreements—Collaboration and Licensing Agreement with Gowell Pharmaceutical.”

### **Dyslipidemia**

Globally, we held the largest pipeline of NME dyslipidemia drug candidates in IND or later stages of development as of the Latest Practicable Date, according to Frost & Sullivan. We enable comprehensive lipid management by targeting all key indicators (e.g., LDL-C and lipoproteins), modalities (e.g., small molecules, mAbs, cyclic peptides, siRNA drugs, and gene editing drugs), and therapeutic pathways (e.g., PCSK9, Lp(a), and ANGPTL3), seeking to meaningfully reduce the residual cardiovascular risk.

### ***PCSK9-Targeting Therapies: SAL003, SAL0139, SAL061 and SAL0167***

By binding to low-density lipoprotein receptors (“**LDLRs**”) and promoting their degradation, PCSK9 reduces the liver’s ability to clear cholesterol from the bloodstream, thereby increasing plasma LDL-C levels. It has been extensively validated as a meaningful target for lowering LDL-C while reducing ASCVD risk. The following chart sets forth our diverse matrix of PCSK9-targeting therapies:

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|                         | Long-acting Injection                                                                                                                                  |                                                                                                                                                      |                                                                                                                  | Oral                                                                                                                                       |                                                                                                                   |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
|                         | SAL003<br>(NDA)                                                                                                                                        | SAL061<br>(Phase I)                                                                                                                                  | SAL0138<br>(Preclinical)                                                                                         | SAL0167<br>(Phase I)                                                                                                                       | SAL0139<br>(Phase II)                                                                                             |
| Modality                | mAb                                                                                                                                                    | <i>In Vivo</i> Gene Editing                                                                                                                          | Dual-target siRNA                                                                                                | Cyclic Peptide                                                                                                                             | Small Molecule                                                                                                    |
| Dosing Frequency        | Once Monthly                                                                                                                                           | Long-acting<br>(Estimated)                                                                                                                           | Once Every Six Months<br>(Estimated)                                                                             | Once Daily<br>(Estimated)                                                                                                                  | Once Daily<br>(Estimated)                                                                                         |
| Route of Administration | Subcutaneous Injection                                                                                                                                 | Intravenous Injection                                                                                                                                | Subcutaneous Injection                                                                                           | Oral                                                                                                                                       | Oral                                                                                                              |
| Highlights              | One dose per month, delivery via autoinjector, lowest rate of atopic allergic reaction, high convenience, potent lipid-lowering effect and high safety | Long-acting effect of one single dose                                                                                                                | Dosing frequency of 6 months, high patient compliance, comprehensive management of multiple dyslipidemia markers | Oral administration with potent lipid-lowering effect, with similar efficacy and safety profile to mAbs, without anti-drug antibodies risk | Oral administration, convenient for combo therapy and development of compounds, without anti-drug antibodies risk |
| Application             | Suitable for patients who require lipid-lowering monotherapy or in combination with statin                                                             | HeFH as the first intended indication, with potential to expand to prophylactic administration for normal dyslipidemia patients with high ASCVD risk | Suitable for patients with mixed dyslipidemia demanding for strong lipid-lowering effect                         | Suitable for patients with hyperlipidemia only, who require oral lipid-lowering therapies                                                  | Suitable for patients with hyperlipidemia and other chronic diseases, who require oral lipid-lowering therapies   |

### *SAL003 (mAb therapy)*

SAL003 is potentially the first anti-PCSK9 mAb in China formulated for delivery via an autoinjector, with a dosing interval of every four weeks, each treatment administered via a single subcutaneous dose, according to Frost & Sullivan.

We have completed a Phase III clinical trial to evaluate the efficacy and safety of SAL003 as monotherapy for the treatment of hypercholesterolemia and mixed dyslipidemia. The primary efficacy endpoint was the percent change from baseline in LDL-C at Week 12. Results demonstrated that the LSM percent change from baseline in LDL-C for SAL003 treatment was -53.91% at Week 12. In addition, we conducted a Phase III clinical trial to evaluate the efficacy and safety of SAL003 in combination with statin therapy in patients with hypercholesterolemia and mixed dyslipidemia uncontrolled by statin monotherapy. The primary efficacy endpoint was the percent change from baseline in LDL-C at Week 24. Results demonstrated that the LSM percent change from baseline in LDL-C for the SAL003 group was -65.92% at Week 24.

SAL003 is currently under BLA review by the NMPA for the treatment of hypercholesterolemia and mixed dyslipidemia. Compared to marketed anti-PCSK9 mAbs in China, SAL003 is a long-lasting injectable solution and exhibits the lowest rate of atopic allergic reaction.

### *SAL0139 (small-molecule inhibitor)*

SAL0139 is one of the few clinical-stage oral, small-molecule PCSK9 inhibitors worldwide, according to Frost & Sullivan.

The primary appeal of small molecules lies in their oral bioavailability. Small-molecule PCSK9 inhibitors can extend potent lipid-lowering therapy beyond specialized injection-based and cold-chain settings, making treatment more accessible and widespread, especially in primary care and home environments. In addition, small-molecules are more easily formulated into fixed-dose combinations, addressing the combination therapy needs of dyslipidemia patients with comorbidities. Globally, approximately 70% of dyslipidemia patients suffer from comorbidities, according to Frost & Sullivan.

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SAL0139 shows high binding affinity for human recombinant PCSK9 protein. In a preclinical study using humanized PCSK9 transgenic mice, repeated oral administration of SAL0139 reduced LDL-C and total cholesterol levels in a dose-dependent manner. SAL0139 demonstrated efficacy superior to that of the positive-control treatment at equivalent doses, with a minimum effective dose of 0.25 mg/kg.

In the Phase I clinical trial, SAL0139 demonstrated favorable safety and pharmacokinetic profiles. SAL0139 is currently undergoing a Phase II clinical trial in patients with hyperlipidemia.

### *SAL061 (gene-editing therapy)*

SAL061 is 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, according to Frost & Sullivan.

Instead of regulating proteins or pathways downstream of dysfunction, gene editing targets the DNA sequence itself, aiming to produce durable or potentially curative correction. SAL061 is a novel *in vivo* base-editing drug candidate. Base editing enables single-letter DNA changes without generating double-strand breaks, which significantly reduces the risks of chromosomal abnormalities and off-target effects.

SAL061 is delivered via intravenous infusion and selectively internalized by hepatocytes, where it induces a precise nucleotide conversion within the PCSK9 gene. Moving beyond daily pills and regular injections, SAL061 holds the potential for a lifelong lipid-lowering effect with a single administration.

SAL061 has shown good efficacy and safety in an investigator-initiated open-label, single ascending-dose trial in patients with heterozygous familial hypercholesterolemia (“**HeFH**”). Based on published interim clinical data, as of March 15, 2025, a total of six subjects were enrolled in the study and received a single intravenous infusion of SAL061 at escalating doses (0.2, 0.4, and 0.6 mg/kg). Plasma PCSK9 and LDL-C levels demonstrated a dose-dependent reduction following SAL061 administration. In the 0.6 mg/kg dose group, the mean PCSK9 level decreased by 55.9% at Week 1, 75.8% at the first month, and 72.5% at the fourth month post-administration. The corresponding LDL-C reductions were 33.2%, 48.9% and 50.4%, respectively. No serious adverse events, dose-limiting toxicities, or adverse events of Grade $\geq$ 3 were observed in any dose group.

In August 2024, we in-licensed SAL061 (then known as YOLT-101) from YolTech Therapeutics. For details, see “—Material Collaboration and Licensing Agreements—Collaboration and Licensing Agreement with YolTech.”

We have initiated the Phase I clinical trial of SAL061. Globally, as of the Latest Practicable Date, there was no approved gene-editing drug targeting PCSK9, and there were only two such drug candidates under clinical development, including SAL061, according to Frost & Sullivan.

### *SAL0167 (peptide-based therapy)*

SAL0167 is a cyclic peptide targeting PCSK9 and is the first domestically-developed cyclic peptide targeting PCSK9 to have entered clinical development in China, according to Frost & Sullivan.

Common therapeutic agents, such as small molecules may struggle with insufficient selectivity, stability and bioavailability. Peptides can more accurately mimic the interactions between proteins and receptors, leading to high target specificity and strong selectivity, which

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offers a favorable safety profile. In particular, cyclic peptides have a long *in vivo* stability, while maintaining a robust antibody-like binding affinity. These characteristics make cyclic peptide targeting PCSK9 a favorable option for patients with hypercholesterolemia who require potent lipid-lowering therapy.

SAL0167 shows a high binding affinity for human recombinant PCSK9 protein. In preclinical studies, repeated oral administration of SAL0167 reduced LDL-C and total cholesterol levels in a dose-dependent manner, with efficacy superior to that of the respective positive-control treatments at equivalent doses. SAL0167 is orally available, enabling enhanced patient adherence and greater convenience in use and storage.

SAL0167 is currently undergoing a Phase I clinical trial. Globally, as of the Latest Practicable Date, there was only one marketed cyclic peptide targeting PCSK9, which has not yet been marketed in China, and SAL0167 was the only cyclic peptide targeting PCSK9 in active clinical development, according to Frost & Sullivan.

### ***SAL0137***

SAL0137 is one of the few clinical-stage oral, small-molecule Lp(a) inhibitors worldwide, according to Frost & Sullivan.

Lp(a) is a genetically determined, independent cardiovascular risk factor. SAL0137 is an orally administered Lp(a) inhibitor that shows strong inhibitory activity against Lp(a) assembly and exhibits a certain degree of selectivity for Lp(a) over plasminogen.

In preclinical studies, once-daily repeated dosing of SAL0137 reduced Lp(a) and intact Lp(a) in a dose- and time-dependent manner, with efficacy comparable to that of the positive-control treatment. Notably, once-weekly oral dosing of SAL0137 significantly lowered intact Lp(a) levels over the course of one week, indicating the potential for a once-weekly regimen to reduce and maintain intact Lp(a) at low levels.

SAL0137 is currently undergoing a Phase II clinical trial in patients with elevated Lp(a). Globally, as of the Latest Practicable Date, there were five small-molecule Lp(a) drug candidates under clinical development for the treatment of elevated Lp(a), including SAL0137, according to Frost & Sullivan.

### **Heart Failure**

#### ***XinChaoTuo***

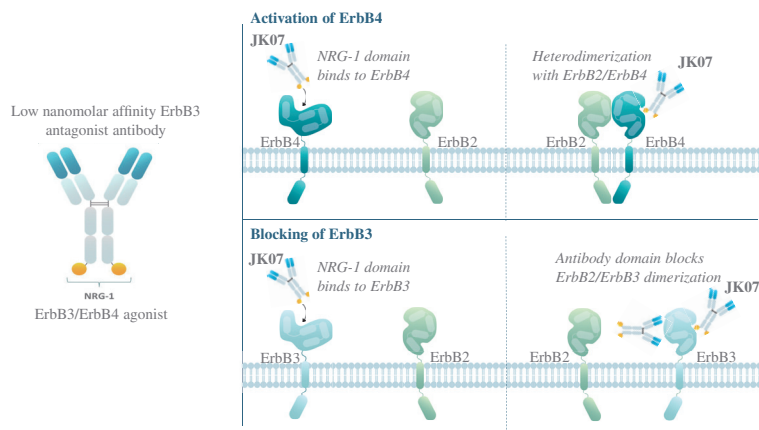
XinChaoTuo is China’s first domestically-developed novel ARNi and the second-in-class globally, according to Frost & Sullivan. We are currently conducting a randomized, double-blind, positive-drug parallel controlled, multi-center Phase III trial of its efficacy and safety in patients with chronic HFrEF. For details, see “—Our Drugs and Drug Candidates—Hypertension—XinChaoTuo (Sacubitril Allisartan Calcium Tablets) (信超妥(沙庫巴曲阿利沙坦鈣片)).”

#### ***JK07 (SAL007)***

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.

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As illustrated in the diagram below, by blocking ErbB3 signaling with such an antibody fusion design, JK07 (SAL007) selectively stimulates the ErbB4 pathway with a favorable pharmacokinetic profile, which has the potential to significantly widen the therapeutic window of NRG-1 and yield better clinical effects. JK07 (SAL007) is the first and currently the only selective ErbB4 agonist in clinical development for the treatment of heart failure, according to Frost & Sullivan.



JK07 (SAL007) is in clinical development for the treatment of HFrEF, HFpEF, and cpcPH. Notably, RENEU-HF is a global Phase II, randomized, double-blind, placebo-controlled, multiple-dose clinical trial designed to evaluate the efficacy and safety of JK07 in patients with HFrEF and HFpEF. We have completed enrollment of patients in the HFrEF cohort and are currently enrolling patients in the HFpEF cohort.

The HFrEF cohort enrolled 215 subjects, randomized 1:1:1 to high or low dose JK07 or placebo. The primary endpoint of the trial for the HFrEF cohort is change in left ventricular ejection fraction (“LVEF”) at 26 weeks. In May 2026, we obtained interim data of the primary endpoint of the Phase II trial in patients with HFrEF. All dose groups of JK07 demonstrated improvement in LVEF compared to the placebo group from baseline to Week 26, although inter-group differences did not reach statistical significance. In terms of safety profile, JK07 achieved a favorable risk-benefit profile. The overall safety profile of JK07 demonstrated a clear correlation with the dose and frequency of administration.

Since LVEF will not be the primary endpoint in the Phase III clinical trial, we also collected KCCQ scores (Kansas City Cardiomyopathy Questionnaire) and the six-minute walk distance (6MWD) test results in the Phase II trial. Both are widely recognized by regulatory authorities and have the potential to serve as primary endpoints in Phase III clinical trials. Notably, JK07 demonstrated clinically meaningful improvements in KCCQ scores compared to placebo. In the anticipated target dose group, the placebo-adjusted total symptom score improved by more than five points at the end of Week 12, with improvements sustained through Week 26. Patients with lower baseline LVEF (<30%) experienced even greater improvements in KCCQ scores. Treatment groups of JK07 also demonstrated sustained improvements in 6MWD tests compared to the placebo group.

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### CKD and Renal Anemia

#### *EnNaLuo (Enarodustat Tablets) (恩那罗(恩那度司他片))*

EnNaLuo is a next-generation oral small-molecule hypoxia-inducible factor prolyl hydroxylase inhibitor (“**HIF-PHI**”). EnNaLuo was approved by the NMPA for the treatment of anemia in non-dialysis and dialysis-dependent patients with CKD in June 2023 and September 2025, respectively. As of the Latest Practicable Date, there were only two other HIF-PHIs approved for the treatment of renal anemia in China, according to Frost & Sullivan. Since its initial launch in 2023, EnNaLuo has achieved rapid market penetration. As of the Latest Practicable Date, EnNaLuo had been available in over 1,800 hospitals nationwide. In 2025, EnNaLuo, with an 8.4% market share in terms of in-hospital sales revenue, ranked second among all HIF-PHI drugs in China, according to Frost & Sullivan.

Renal anemia is a major complication in patients with CKD, leading to morbidity and mortality. It is primarily caused by reduced EPO production and iron deficiency. Erythropoiesis-stimulating agents (“**ESAs**”), as a traditional therapy for renal anemia, exert their effects specifically on the hematopoietic system. However, they can increase risks of cardiovascular events, hypertension, and thromboembolic events, particularly at higher doses. In addition, use of ESA was found to be associated with increased serum hepcidin level, which plays an important role in erythropoietin resistance. The subcutaneous or intravenous administration, complicated supply, and storage requirements are also very inconvenient for patients. These challenges highlight the need for new therapies that are not only effective but also more tolerable and convenient for patients.

HIF-PHIs have emerged as a new class of orally administered drugs for treating anemia in CKD patients. By stabilizing HIF levels, these drugs increase endogenous EPO production, improve iron metabolism by lowering hepcidin levels and increasing the expression of iron transport proteins, thereby supporting erythropoiesis even under inflammatory conditions. Key advantages of EnNaLuo, a next-generation HIF-PHI, are summarized as follows:

#### *1. Stable Hb Level Increase and Enhanced Safety*

EnNaLuo displays potent inhibitory activity across isoforms of HIF-PH enzymes. It exhibits high selectivity, thus minimizing off-target effects while specifically targeting the HIF pathway. This mechanism promotes the generation of EPO at levels closer to physiological concentrations, which leads to efficient and stable increases in Hb levels. Its differentiated molecular structure mitigates certain safety concerns associated with the first-generation HIF-PHIs, including the risk of central hypothyroidism.

EnNaLuo has demonstrated favorable efficacy and safety profiles in clinical studies. We presented Phase III clinical trial results of EnNaLuo for the treatment of renal anemia in Chinese patients with non-dialysis CKD (“**ND-CKD**”) at the 2023 American Society of Nephrology Annual Meeting. A total of 156 patients who had not received ESA treatment or HIF-PHIs for at least eight weeks were randomized in a 2:1 ratio to receive either EnNaLuo (n=103) or placebo (n=53). The primary endpoint was the mean change in Hb levels from baseline to the average level during weeks 7 to 9. Results demonstrated that the mean ( $\pm$ SD) change in Hb levels from baseline to weeks 7 to 9 was 15.99 ( $\pm$ 9.46) g/L in the EnNaLuo group, compared to -0.14 ( $\pm$ 8.08) g/L in the placebo group, resulting in a mean difference of 16.00 ( $\pm$ 1.54) g/L ( $p<0.001$ ). In addition, EnNaLuo was well tolerated, with adverse events comparable to those of the placebo. Cardiovascular and thrombosis-related events were designated as adverse events of special interest in this trial. Only two thrombosis adverse events occurred in the EnNaLuo group.

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### 2. *Potent Hepcidin Lowering Effect*

EnNaLuo modulates iron metabolism by reducing hepcidin and ferritin levels while increasing total iron-binding capacity, addressing common iron deficiency issues in CKD-related anemia without causing supraphysiological EPO elevations. A network meta-analysis of 17 randomized controlled trials (“**RCTs**”) involving 16,371 patients with non-dialysis CKD explored the efficacy of six HIF-PHIs versus ESAs or placebo on hepcidin lowering effect. In SUCRA-based rankings, enarodustat emerged as the most effective agent for lowering hepcidin levels. Another network meta-analysis of 26 RCTs involving 14,945 patients with dialysis CKD explored the efficacy of five HIF-PHIs versus ESAs or placebo. In the analysis, compared with the placebo, enarodustat ranked first in reducing the hepcidin levels from the baseline, with a mean difference of -54.95 (95% CI: -91.21 to -18.69,  $p < 0.05$ ) (SUCRA score: 80.9%). SUCRA, or surface under the cumulative ranking curve, is a metric used to summarize the relative effectiveness or safety of competing interventions. Higher SUCRA scores (closer to 100%) indicate a more effective treatment.

### 3. *Convenient Drug Administration*

EnNaLuo is administered orally in a convenient once-daily dose, before a meal or at bedtime. This simplified regimen makes it easier to integrate into patients’ daily schedules, leading to enhanced patient adherence. With a low drug-drug interaction risk compared to currently marketed HIF-PHIs, EnNaLuo is suitable for patients with combination therapy needs.

EnNaLuo is an in-licensed drug. For details, see “—Material Collaboration and Licensing Agreements—Collaboration and Licensing Agreement with Japan Tobacco.”

We are conducting a multi-center, randomized, open-label Phase II clinical trial to evaluate the safety and efficacy of EnNaLuo (also known as SAL0951) for the treatment of chemotherapy-induced anemia in patients with non-myeloid malignancies.

#### ***SAL0120***

SAL0120 is a selective antagonist of ETAR. For details, see “—Our Drugs and Drug Candidates—Hypertension—SAL0120.”

#### ***SAL0140***

SAL0140 is a highly selective ASI. For details, see “—Our Drugs and Drug Candidates—Hypertension—SAL0140.”

#### ***SAL0147***

SAL0147 is a dual AT1R/ETAR antagonist, which is potentially the third to enter clinical development, according to Frost & Sullivan.

In the pathophysiology of kidney diseases, ET-1 and Ang II systems interact closely through extensive crosstalk across multiple signaling pathways. Dual inhibition of both AT1R and ETAR holds potential therapeutic benefits in reducing proteinuria and preserving renal function. Currently, there is only one approved dual AT1R/ETAR antagonist worldwide, which has been recommended in the *KDIGO 2025 Clinical Practice Guideline for the Management of Immunoglobulin A Nephropathy (IgAN) and Immunoglobulin A Vasculitis (IgAV)* for the first-line treatment of patients

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who are at risk of progressive loss of kidney function with IgA nephropathy. However, it requires a relatively high clinical dose and possesses a potential risk of hepatotoxicity. We are developing SAL0147, a next-generation dual AT1R/ETAR antagonist aimed at achieving a lower effective dose and a favorable safety profile.

In preclinical studies, SAL0147 demonstrated antagonistic potency against both the AT1 and ETA receptors *in vitro*, superior to that of the positive-control treatment. In an animal model of IgA nephropathy, SAL0147 reduced urinary albumin levels and the UACR in a dose-dependent manner, significantly attenuating glomerular mesangial proliferation and sclerosis. Notably, SAL0147 achieved greater therapeutic efficacy at a dose of 5 mg/kg than that of the positive-control treatment at a dose of 30 mg/kg. In addition, compared to the positive-control treatment, SAL0147 demonstrated a better safety margin for inhibition of transporters associated with cholestasis-related hepatotoxicity. In *in vivo* repeated-dose toxicity studies, only effects related to the pharmacological action were observed, indicating a favorable safety profile.

### Metabolic Diseases

#### *XinLiTing (Fulgaptin Tablets)* (信立汀(福格列汀片))

XinLiTing is a DPP-4 inhibitor. In June 2024, XinLiTing was approved by the NMPA for improving glycemic control in adult patients with type 2 diabetes.

By blocking the DPP-4 enzyme, DPP-4 inhibitors reduce the hydrolysis of incretin hormones (mainly glucagon-like peptide-1 (“GLP-1”) and glucose-dependent insulinotropic peptide (“GIP”). These hormones help pancreas release insulin. DPP-4 inhibitors can enhance insulin release in a glucose-dependent manner and suppress glucagon secretion, leading to reduced blood glucose levels.

In two Phase III clinical studies, XinLiTing demonstrated confirmed efficacy in comprehensive glycemic control. It significantly reduced HbA<sub>1c</sub> levels, fasting blood glucose, and postprandial blood glucose concentrations. In patients with uncontrolled type 2 diabetes, mean change in HbA<sub>1c</sub> from baseline was -0.70% for XinLiTing after 24 weeks of treatment. In patients with type 2 diabetes who had inadequate glycemic control using metformin alone, mean change in HbA<sub>1c</sub> from baseline was -0.81% for XinLiTing after 24 weeks of treatment. There was a low incidence of common adverse reactions to DPP-4 inhibitors such as nasopharyngitis, and no severe adverse events were reported.

Moreover, XinLiTing is associated with a low risk of hypoglycemia, demonstrates favorable liver and kidney safety profiles, and does not increase the risk of sarcopenia. It can be used either as monotherapy or in combination with metformin hydrochloride when metformin hydrochloride monotherapy is insufficient to effectively control blood glucose levels. This provides a simple and flexible treatment option for elderly patients with diabetes.

In 2025, XinLiTing was recommended by the *Chinese National Guidelines for Primary Care Prevention and Management of Diabetes (2025 Edition)*.

XinLiTing is an in-licensed drug. For details, see “—Material Collaboration and Licensing Agreements—Technology Transfer Agreement with Chongqing Fochon.”

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### **SAL0150**

SAL0150 is an oral, long-acting GLP-1 receptor agonist (“**GLP-1RA**”). Globally, it is the third oral, once-weekly GLP-1RA to have entered clinical development, according to Frost & Sullivan.

Currently, GLP-1RAs are mostly administered via weekly injections. There is only one approved GLP-1RA that is orally available but requires strict diet and water intake control. Recognizing such limitations, we are developing SAL0150, an oral GLP-1RA designed for convenient once- or twice-weekly dosing. It aims to maintain clinical efficacy while easing the burden of dietary and water intake management, thereby significantly improving patient adherence.

*In vivo* pharmacodynamic studies demonstrate that SAL0150 exerts therapeutic effects against obesity and its complications. It can reduce body weight, lower blood glucose levels, and improve fatty liver disease and renal impairment. The oral formulation of SAL0150 exhibits a pharmacokinetic profile that supports a once-weekly or potentially a bi-weekly dosing.

SAL0150 is a weakly active prodrug, which undergoes metabolic conversion within the body to form active metabolites capable of exerting therapeutic effects. Typically, prodrugs offer higher plasma concentrations of the active compound over a longer duration compared to administering the active metabolite directly. This mechanism is designed to mitigate gastrointestinal adverse effects associated with GLP-1R agonism. By virtue of this mechanism, SAL0150 has the potential to improve tolerability and enhance patient adherence.

SAL0150 is currently undergoing a Phase I clinical trial. Globally, as of the Latest Practicable Date, there was no approved oral, once-weekly GLP-1RA, and there were only two other such drug candidates under clinical development, according to Frost & Sullivan.

### **SAL0145**

SAL0145 is a HSD17B13-targeting siRNA therapeutic. Globally, it is the third HSD17B13-targeting siRNA therapeutic to have entered clinical development, according to Frost & Sullivan.

Leveraging the clinically validated liver-targeting GalNAc delivery technology, SAL0145 directly targets a pathogenic protein closely associated with the development and progression of metabolic dysfunction-associated steatohepatitis (“**MASH**”).

In preclinical animal models, SAL0145 demonstrated a higher target gene inhibition rate than that of the positive-control treatment at equivalent doses. In addition, SAL0145 significantly improved hepatic fat content and inflammation-related nonalcoholic fatty liver disease activity score, with efficacy superior to that of the positive-control treatment at equivalent doses. SAL0145 also demonstrated a good safety profile in non-clinical toxicology studies.

Compared with approved and clinical-stage MASH therapies, SAL0145 demonstrates a favorable safety profile, and holds potential for achieving superior target inhibition efficacy in clinical settings, along with a dosing frequency of once every three months, which is expected to significantly enhance patient adherence.

SAL0145 is currently undergoing a Phase I clinical trial. Globally, as of the Latest Practicable Date, there was no approved HSD17B13-targeting siRNA therapeutic and only two other such drug candidates were under clinical development, according to Frost & Sullivan.

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### Oncology

#### *JK06 (SAL006)*

JK06 (SAL006) is a 5T4-targeting antibody drug conjugate (“ADC”).

5T4 is an oncofetal protein that is overexpressed in a variety of solid tumors, including lung and breast cancers, two of the largest oncology markets globally, and is associated with a poor prognosis and more aggressive tumor progression. However, slow internalization rate and low surface density have limited 5T4 as a tumor-associated antigen for ADC drug development.

The binding specificity of JK06 (SAL006) is biparatopic, targeting two non-overlapping epitopes on 5T4 antigens. This biparatopic design with quadrivalent binding sites provides rapid internalization and picomolar affinity. In this way, JK06 (SAL006) cross-links 5T4 on the surface of cancer cells, which enhances internalization and increases intracellular release of the cytotoxic payload. This design also holds benefit to increase activity even in tumors with lower 5T4 expression. In addition, the proprietary site-specific conjugation of JK06 (SAL006) provides a stable payload in serum, resulting in a safe profile as assessed in preclinical toxicology evaluations.

JK06 (SAL006) is undergoing a Phase I/II open-label, dose-escalation and expansion study in a basket of solid tumors known to express the protein 5T4. Expansion cohort data were presented at American Association for Cancer Research (AACR) Annual Meeting 2026. These include 112 patients enrolled in Europe with advanced relapsed/refractory solid tumors who were treated with JK06 (SAL006) once every three weeks, including two randomized dose cohorts (3.7 mg/kg, 4.5 mg/kg) in NSCLC and breast cancer, and a basket cohort consisting of multiple tumor types known to express 5T4. The data cutoff was March 29, 2026. Among 38 response-evaluable NSCLC patients, 10 attained confirmed partial responses (ORR: 26%), including three out of seven response-evaluable squamous cell NSCLC patients (ORR: 43%). Five out of 19 response-evaluable breast cancer patients attained partial responses (ORR: 26%), including four out of nine hormone receptor-positive (HR+) breast cancer patients (ORR: 44%). In addition, JK06 (SAL006) demonstrated a favorable safety profile with overall low frequency and manageable adverse events, and infrequent  $\geq$  Grade 3 adverse events.

As of the Latest Practicable Date, there were six 5T4-targeting ADCs under clinical development worldwide, with JK06 (SAL006) being the most clinically advanced, according to Frost & Sullivan.

#### *SAL012*

SAL012 is a glypican-3 (“GPC3”)-directed ADC.

GPC3 is a membrane-associated proteoglycan that is specifically up-regulated in solid tumors, such as liver cancer, lung cancer, and esophageal squamous cell carcinoma. GPC3 is rarely or not expressed in normal tissues, making it an ideal diagnostic and treatment target for advanced solid tumors. The antibody component of SAL012 specifically binds to the GPC3 antigen on the surface of tumor cells. Following internalization, the payload is released intracellularly, where it inhibits topoisomerase I activity, leading to cell cycle arrest and apoptosis of tumor cells, thereby exerting an antitumor effect.

In preclinical studies, SAL012 demonstrated dose-dependent inhibition of tumor growth with good tolerability. In the Hep3B hepatocellular carcinoma CDX model, SAL012 showed significantly superior antitumor efficacy compared to the positive-control treatment at equivalent doses. Additionally, SAL012 exhibited favorable safety profiles. In August 2026, our IND application for SAL012 for the treatment of advanced solid tumors was accepted by the NMPA.

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### Postmenopausal Osteoporosis

We have developed a portfolio of biosimilar drugs and drug candidates for the treatment of postmenopausal osteoporosis.

#### *Teriparatide Franchise: XinFuTai, XinFuTai Pro and XinFuTai Plus*

*XinFuTai (Recombinant Teriparatide for Injection)* (欣复泰 (注射用重组特立帕肽)), a recombinant human endogenous parathyroid hormone, is a teriparatide biosimilar to Forsteo. It is formulated as lyophilized powder for injection, which is administered subcutaneously once daily. In September 2019, XinFuTai was approved by the NMPA for the treatment of osteoporosis in postmenopausal women at high risk of fracture. XinFuTai demonstrated noninferior efficacy to that of alendronate.

*XinFuTai Pro (Teriparatide Injection)* (欣复泰Pro (特立帕肽注射液)), as an upgrade to XinFuTai, is China’s first domestically-developed teriparatide liquid injection, according to Frost & Sullivan. XinFuTai Pro is administered via an autoinjector subcutaneously once daily. In April 2022, XinFuTai Pro was approved for the treatment of osteoporosis in postmenopausal women at high risk of fracture. Thanks to its high efficacy and convenience, XinFuTai Pro has received positive feedback from clinicians and achieved rapid market growth shortly after its launch. A systematic review and meta-analysis of 28 clinical studies explored the effects of three antiosteoporosis medications in patients with posterior spine fusion with low BMD. Teriparatide showed better fusion rates, reduced complications, and improved patient-reported outcomes compared to placebos or bisphosphonates.

*XinFuTai Plus (Recombinant Teriparatide for Injection)* (欣复泰Plus (注射用重组特立帕肽)), a teriparatide biosimilar to Teribone, is the first once-weekly teriparatide lyophilized powder for injection in China, according to Frost & Sullivan. It forms a critical part of our strategy to enhance the market competitiveness and prolong the commercial lifespan of our teriparatide franchise. In May 2026, XinFuTai Plus was approved by the NMPA for the treatment of osteoporosis in postmenopausal women at high risk of fracture. In a Phase III study, XinFuTai Plus demonstrated efficacy superior to that of alendronate for the treatment of osteoporosis in postmenopausal women at high risk of fracture.

### **SAL023**

SAL023 is a fully human anti-sclerostin mAb, which is the first and only biosimilar to Evenity under clinical development in China, according to Frost & Sullivan.

Fully human anti-sclerostin mAbs specifically bind to sclerostin and antagonize its negative regulatory effects on bone metabolism. In the Phase I clinical trial, SAL023 demonstrated bioequivalence to Evenity in terms of pharmacokinetics. SAL023 is exempt from Phase II clinical trial and we have obtained the ethics committee approval for its Phase III clinical trial.

### Generics

#### *TaiJia (Clopidogrel Bisulfate Tablets)* (泰嘉(硫酸氢氯吡格雷片))

TaiJia is our generic version of clopidogrel, an antiplatelet agent primarily indicated for the prevention of blood clots in patients with myocardial infarction, ischemic stroke, acute coronary syndrome, and ASCVD. We are the first in the world to offer a 25 mg formulation of clopidogrel, optimized for Asian patients and holding favorable clinical benefits. TaiJia was approved by the NMPA in September 2000. Since its launch in 2000, TaiJia has won multiple honors, including the prestigious China Patent Gold Award for its innovative formulation, affirming our dedication to innovation.

## BUSINESS

TaiJia was first included in the NRDL in 2004 and remained on the NRDL as of the Latest Practicable Date. TaiJia has participated in a number of VBP schemes at national and provincial levels. The following table sets forth certain information on its participation in VBP schemes:

| VBP Scheme                                                                          | Province/Municipality Covered                                              | VBP Cycle                      |
|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------|
| Provincial VBP scheme . . . . .                                                     | Hebei                                                                      | July 2022 to June 2024         |
| Provincial VBP scheme . . . . .                                                     | Beijing                                                                    | November 2022 to March 2025    |
| Provincial VBP scheme . . . . .                                                     | Henan                                                                      | April 2023 to June 2025        |
| Inter-provincial alliance VBP scheme . . . .                                        | Chongqing, Sichuan, Inner Mongolia, Hubei, Yunnan, Tibet, Shaanxi, Ningxia | November 2022 to December 2025 |
| Provincial VBP scheme . . . . .                                                     | Shanghai                                                                   | August 2022 to March 2026      |
| Follow-on procurement under national VBP scheme (first to eighth batches) . . . . . | All 31 provinces and municipalities in Chinese mainland                    | March 2026 to December 2028    |

### *XinLiXin (Cefuroxime Sodium for Injection) (信立欣(注射用头孢呋辛钠))*

XinLiXin is our generic version of cefuroxime, a cephalosporin antibiotic indicated for the treatment of certain infections caused by bacteria. XinLiXin was approved by the NMPA in June 2000.

XinLiXin was first included in the NRDL in 2000 and remained on the NRDL as of the Latest Practicable Date. In addition, XinLiXin has participated in a number of VBP schemes at national and provincial levels, with details set forth in the following table:

| VBP Scheme                                                                          | Province/Municipality Covered                                                                | VBP Cycle                     |
|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|-------------------------------|
| National VBP scheme (fifth batch) . . . . .                                         | Hebei, Henan, Hubei, Shanghai, Qinghai, Tianjin, Yunnan                                      | October 2021 to October 2024  |
| Inter-provincial alliance VBP scheme . . . .                                        | Anhui, Gansu, Guangxi, Guizhou, Hubei, Jiangsu, Qinghai, Shaanxi, Sichuan, Yunnan, Chongqing | January 2025 to December 2025 |
| Follow-on procurement under national VBP scheme (first to eighth batches) . . . . . | All 31 provinces and municipalities in Chinese mainland                                      | March 2026 to December 2028   |

### APIs and Intermediates

We are engaged in the manufacturing and sales of APIs and intermediates. An API is the biologically active component of a drug, and an intermediate is generated during the synthesis of an API, which requires further reaction or purification before becoming an API.

The following table sets forth our major marketed APIs and intermediates, which are primarily cephalosporin APIs and intermediates. Cephalosporins are an effective group of antibiotics with a broad range of activity and low toxicity. They are useful in the treatment of infections.

| Product                                         | Type         |
|-------------------------------------------------|--------------|
| Cefepime hydrochloride/L-arginine API . . . . . | API          |
| Cefuroxime API . . . . .                        | API          |
| Cefoxitin API . . . . .                         | API          |
| Cefuroxime acid . . . . .                       | Intermediate |
| Cefoxitin acid . . . . .                        | Intermediate |

During the Track Record Period, we primarily market APIs and intermediates in China, and to a lesser extent, export to emerging markets, such as India, Brazil, and Egypt.

### OUR MEDICAL DEVICES

Our medical device portfolio primarily consists of interventional and implantable Class III medical devices, intended for cardiovascular, cerebrovascular, and peripheral vascular intervention; and the treatment of structural heart diseases.

## BUSINESS

As of the Latest Practicable Date, we had a total of 17 medical devices and 18 medical device candidates (16 self-developed; two in-licensed). Their key therapeutic areas include neurovascular diseases, peripheral vascular diseases, structural heart diseases, and cardiovascular diseases. The following chart sets forth major information on our selected medical devices and medical device candidates:

| Therapeutic Area                 | Product                                                         | Indication                                            | Predclinical | Clinical | Registration | Source         |
|----------------------------------|-----------------------------------------------------------------|-------------------------------------------------------|--------------|----------|--------------|----------------|
| Neurointervention                | Maurora Sirolimus Eluting Vertebral Artery Stent System         | Extracranial Vertebral Artery Stenosis                |              |          | ★            | Self-developed |
|                                  | Neurora Intracranial Drug Eluting Stent System                  | Intracranial Artery Stenosis                          |              |          |              | Self-developed |
|                                  | Swanora Intracranial Self-expanding Drug Eluting Stent System   | Intracranial Artery Stenosis                          |              |          |              | Self-developed |
|                                  | SwanGuard Intraluminal Support Device                           | Stent-assisted Coiling (SAC) of Intracranial Aneurysm |              |          |              | Self-developed |
|                                  | Maurora Sirolimus Eluting Vertebral Artery Stent System (Gen 2) | Extracranial Vertebral Artery Stenosis                |              |          |              | Self-developed |
|                                  | SaExten Vena Cava Filter System                                 | Prevention of Pulmonary Embolism (PE)                 |              |          | ★            | Self-developed |
| Peripheral Vascular Intervention | Gstream Drug Eluting Vascular Stent System                      | Superficial Femoropopliteal Artery Disease            |              |          |              | Self-developed |
|                                  | SELUTION Sirolimus Drug Eluting PTA Balloon Catheter            | Superficial Femoropopliteal Artery Disease            |              |          |              | In-licensed*   |
| Structural Heart Disease         | LAMax LAAC Left Atrial Appendage Closure Device                 | Left Atrial Appendage (LAA) Occlusion                 |              |          | ★            | Self-developed |
|                                  | Steerable Introducer System                                     | Access and Positioning in the Cardiac Chambers        |              |          |              | Self-developed |
| Cardiovascular Intervention      | SELUTION Sirolimus Drug Eluting PTCA Balloon Catheter           | De Novo Coronary Bifurcation Stenosis                 |              |          |              | In-licensed*   |

★ Commercialized Product

*Note:*

\* In May 2018, we entered into an agreement with M.A. Med Alliance SA, pursuant to which we obtained an exclusive license to use the intellectual property rights and technical information relating to sirolimus-coated drug-coated balloon in Chinese Mainland, including the exclusive right to conduct technical development and improvement, regulatory filing, manufacturing, trademark registration and commercialization for indications including coronary artery disease, peripheral artery disease and arteriovenous fistula.

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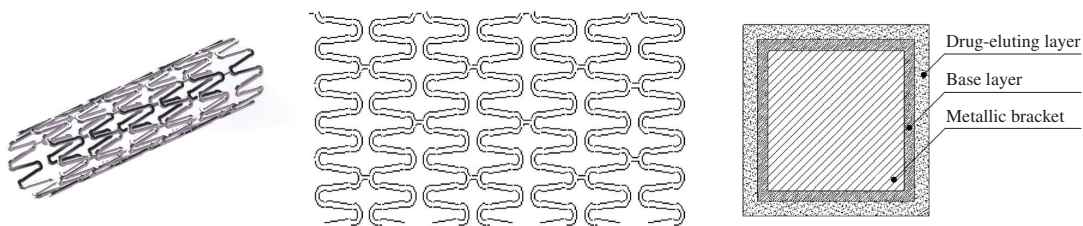
### Maurora Sirolimus Eluting Vertebral Artery Stent System (“Maurora”)

Maurora is the world’s first sirolimus eluting vertebral artery stent system. In July 2020, Aurora was approved by the NMPA as a Class III medical device, intended for the treatment of symptomatic extracranial vertebral artery stenosis.

Maurora is a balloon-expandable drug-eluting stent. It is the first drug-eluting stent that applies sirolimus in the treatment of cerebrovascular stenosis, according to Frost & Sullivan. Sirolimus is an immunosuppressant drug with anti-proliferative properties that inhibits smooth muscle cell migration. It is commonly used to prevent intimal hyperplasia—the thickening of the vascular wall that can lead to spontaneous closure or re-blockage following stent implantation in the arterial duct.

Maurora consists of a drug-eluting stent and a delivery system. The stent is fabricated from cobalt-chromium alloy L605, offering excellent biocompatibility and strong radial support. Aurora features an innovative drug delivery mechanism. The drug coating matrix combines sirolimus with polyvinylidene fluoride, enabling controlled drug release to inhibit smooth muscle cell proliferation and migration, thereby reducing the risk of vascular restenosis. A polyacrylate base layer ensures secure adhesion between the stent and the drug coating.

Maurora employs a rapid-exchange, non-hydratable balloon catheter designed for enhanced flexibility and trackability, allowing smooth navigation through tortuous and narrow vessels as well as precise positioning at the target lesion site. The following diagram illustrates the structure and drug loading design of Aurora:



Maurora presents the following features and benefits:

- *Controlled drug release.* The fluoride-based drug coating provides Aurora with high drug loading capacity and a controlled, sustained-release profile. This design minimizes vascular irritation and inflammatory response, helping to prevent restenosis triggered by local vascular trauma during stent deployment.
- *Superior coating safety.* The fluoride-based coating adheres robustly to Aurora, offers excellent ductility, and maintains long-term integrity and surface smoothness. It resists cracking during stent expansion and remains intact without flaking or delamination under mechanical stress, reducing thrombogenic risk and enhancing overall procedural safety.
- *Optimized thin-wall design.* Aurora is engineered to deliver strong radial strength, reliable vessel support and high fatigue resistance while incorporating a thinner wall profile. This reduces the pre-deployment crossing profile, improves deliverability through narrow and tortuous vessels, and lowers procedural complexity.

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- *Comprehensive size range.* With diameters ranging from 2.5 mm to 5.0 mm, Maurora covers the full anatomical diameter spectrum of vertebral arteries, accommodating a wide variety of clinical scenarios and patient anatomies.

In October 2016, we completed a prospective, multi-center, randomized controlled registrational clinical trial for Maurora to evaluate its efficacy and safety. The trial was conducted across ten trial centers and 188 subjects were enrolled. The primary endpoint was the in-stent restenosis rate at 180 days post-procedure. Clinical trial results indicated that Maurora achieved a 67% significant reduction in in-stent restenosis at 180 days compared to the control group, along with a notably lower rate of device-related adverse events, providing patients with improved long-term clinical outcomes.

Maurora is our major marketed medical device in terms of sales revenue. In 2023, 2024, 2025, and the six months ended June 30, 2025 and 2026, our sales revenue from Maurora 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.

As of the Latest Practicable Date, Maurora had been sold to more than 2,800 hospitals across China, and had been implanted in over 114,000 vascular interventional therapy cases. In 2025, Maurora ranked first in China in the drug eluting stent for vertebral artery stenosis market, with a market share of 69.9% in terms of sales revenue. In the same year, we partnered with Beijing Tiantan Hospital on a National Science and Technology Major Project, which is focused on the endovascular treatment of ischemic stroke. The research aims to investigate the high biocompatibility and rapid endothelialization effects of Maurora’s fluoride coating, with the objective of reducing the post-operative dual antiplatelet therapy (DAPT) from six months to three months while maintaining clinical outcomes. With an aim to lower bleeding risks and treatment costs while standardizing clinical medication practices, this research has the potential to enhance clinical care standards. The study is progressing as planned, with results anticipated in 2028.

Maurora has participated in several VBP schemes at the provincial levels. The following table sets forth certain information on its participation in VBP schemes:

| VBP Scheme                      | Province/Municipality Covered | VBP Cycle                      |
|---------------------------------|-------------------------------|--------------------------------|
| Provincial VBP scheme . . . . . | Beijing                       | December 2025 to December 2027 |
| Provincial VBP scheme . . . . . | Anhui                         | August 2025 to August 2027     |
| Provincial VBP scheme . . . . . | Henan                         | April 2025 to March 2026       |

### LAMax Left Atrial Appendage Closure Device (“LAMax”)

In June 2022, LAMax was approved by the NMPA as a Class III medical device. It is an implantable cardiac device that occludes the left atrial appendage.

Left atrial appendage closure (or occlusion) is a device-based therapy for stroke prevention in patients with atrial fibrillation. For patients with non-valvular atrial fibrillation, blood cannot be squeezed out of left atrium effectively, and can therefore collect and pool in the left atrial appendage, and increase the chances of an atrial fibrillation related stroke.

LAMax functions by sealing the left atrial appendage via transcatheter intervention to prevent thrombus formation and dislodgement at the source, thereby reducing the risk of stroke and systemic embolism. It offers an alternative to oral anticoagulation therapy, particularly for patients at high risk of bleeding.

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### **SaExten Vena Cava Filter System (“SaExten”)**

SaExten is a retrievable filter system. In August 2023, SaExten was approved by the NMPA as a Class III medical device, intended for the prevention of pulmonary embolism.

SaExten consists of two parts: the vena cava filter and the delivering system. The vena cava filter is a mesh filtering device that prevents the formation of pulmonary embolism by filtering the thrombus. During the procedure, the SaExten vena cava filter can be delivered through jugular or femoral veins to the optimal position in the inferior vena cava. The filter can be retrieved, depending on the presence of thrombosis and the evaluation of the physician.

### **Neurora Intracranial Drug-Eluting Stent System (“Neurora”)**

Neurora is designed for the treatment of intracranial atherosclerotic stenosis.

Building on the advantages of controlled drug release via a fluoride-based coating and enhanced coating safety, Neurora’s system further optimizes stent wall thickness to achieve superior deliverability and flexibility, accommodating the anatomical characteristics of intracranial vasculature.

We have submitted the Class III medical device registration application for Neurora to the NMPA, and expect to obtain the NMPA registration approval in 2026.

### **Swanrora Intracranial Self-Expanding Drug-Eluting Stent System (“Swanrora”)**

Swanrora is designed for the treatment of intracranial atherosclerotic stenosis. Due to Swanrora’s structural characteristics, it better adapts to the tortuous, complex and fragile intracranial vascular anatomy, offering significant advantages in treating such lesions.

As of the Latest Practicable Date, there was no approved intracranial self-expanding drug-eluting stent system in China, according to Frost & Sullivan. Swanrora is currently under clinical development and has been qualified for the Green Path in 2025. We aim to submit the Class III medical device registration application for Swanrora to the NMPA in 2026, and expect to obtain the NMPA registration approval in 2027.

## **MATERIAL COLLABORATION AND LICENSING AGREEMENTS**

### **Collaboration and Licensing Agreement with Gowell Pharmaceutical**

In May 2025, we entered into an agreement with Sichuan Gowell Pharmaceutical Co., Ltd. (“**Gowell Pharmaceutical**”). Gowell Pharmaceutical is a private pharmaceutical company headquartered in China, integrating the R&D, production, and sales of new drugs, with a focus on cardiovascular diseases, parenteral nutrition, metabolic diseases, and the digestive system. Under this agreement, we received exclusive development, registration, manufacture, commercialization, re-license, and sub-license rights to SAL0132 (also known as GW906), an siRNA drug candidate targeting AGT, in the Greater China Region. We agreed to provide Gowell Pharmaceutical with upfront and R&D milestone payments of up to RMB180 million. In addition, we agreed to make sales milestone payment of up to RMB370 million to Gowell Pharmaceutical once the annual net sales of SAL0132 reach an agreed amount. We also agreed to pay tiered single- to low-double-digit royalties based on the annual net sales of SAL0132 within the timeframe stipulated under the agreement. This agreement will remain in effect indefinitely, unless terminated under certain agreed circumstances. Under this agreement, each party (or its affiliates) will retain sole ownership of any new intellectual property rights generated solely by itself. Any intellectual property rights developed jointly by the parties will be jointly owned.

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### Collaboration and Licensing Agreement with YolTech

In August 2024, we entered into an agreement with YolTech Therapeutics (“**YolTech**”). YolTech is a private, clinical-stage *in vivo* gene editing company headquartered in China, focused on the development of next-generation precision genetic medicines in China. Under this agreement, we received exclusive rights to develop, register, manufacture, commercialize, and sub-license SAL061 (also known as YOLT-101) in Chinese Mainland. We agreed to provide YolTech with upfront payment and development milestones of up to RMB205 million. In addition, we agreed to make sales milestone payment of up to RMB830 million to YolTech once the annual net sales of SAL061 reach an agreed amount. We also agreed to pay tiered single- to low-double-digit royalties based on the annual net sales of SAL061 within the timeframe stipulated under the agreement. This agreement will remain effective indefinitely, unless terminated earlier in accordance with its terms, such as upon mutual agreement, insolvency events, or uncured material breach. Under this agreement, each party retains ownership of its background intellectual property, and improvements are generally owned by the party that generates them, provided that improvements generated by YolTech are licensed to us in Chinese Mainland on an exclusive, royalty-free basis, and jointly developed improvements are co-owned.

### Collaboration and Licensing Agreement with Japan Tobacco

In December 2019, we entered into an agreement with Japan Tobacco Inc. (“**Japan Tobacco**”). Japan Tobacco is a public company listed on the Tokyo Stock Exchange. It is an international tobacco company and is also present in the pharmaceutical and processed food businesses. Under this agreement, we received exclusive rights to develop and commercialize EnNaLuo in the Greater China Region. We agreed to make an upfront payment of US\$22.5 million, development milestone payments of up to US\$45.0 million, and sales milestone payments of up to US\$140.0 million to Japan Tobacco. We also agreed to pay low-double-digit royalties based on our market sales. This agreement will remain in effect until the completion of all of our payment obligations, unless terminated earlier under certain agreed circumstances. Under this agreement, each party will retain sole ownership of any new intellectual property rights generated solely by or on behalf of itself. Any intellectual property rights developed jointly by the parties will be jointly owned.

### Co-Development Agreement with a Leading CRDMO

In June 2017, we entered into a co-development agreement with a leading contract research, development, and manufacturing organization (“**CRDMO**”) in China. Under this agreement, we received exclusive rights to develop, manufacture, and sell SAL003 in Chinese Mainland. We hold the invention patent and patent family for SAL003 and retain sole ownership to use these patents in Chinese Mainland. We agreed to pay low-single-digit royalties quarterly based on global net sales of SAL003 within the timeframe stipulated under the agreement. This agreement will remain in effect until all obligations have been fulfilled. Each party will retain ownership of new patents generated solely by itself through improvements to R&D achievements under this agreement.

### Technology Transfer Agreement with Chongqing Fochon

In October 2013, we entered into an agreement with Chongqing Fochon Pharmaceutical Research Co., Ltd. (“**Chongqing Fochon**”). Chongqing Fochon is a private pharmaceutical company headquartered in China, which is focused on the R&D of small-molecule drugs. Under this agreement, we received exclusive rights to develop and commercialize XinLiTing in Chinese Mainland. We paid a technology transfer fee of RMB25 million to Chongqing Fochon. In addition, we agreed to pay low-single-digit royalties annually based on the sales of XinLiTing until its patent expires or becomes invalid.

**BUSINESS**

**RESEARCH AND DEVELOPMENT**

Innovation and R&D are at the core of our success. Since 2020, our cumulative R&D investment (including the capitalized portion) has exceeded RMB5 billion, and our annual R&D investment as a percentage of our total revenue has consistently remained above 20%, peaking at 31% in 2023. In 2023, 2024, 2025, and the six months ended June 30, 2025 and 2026, our R&D investment as a percentage of our total revenue was 31.1%, 25.4%, 29.1%, 25.4%, and 25.0%, respectively.

We have assembled an R&D team with extensive experience and creativity. As of June 30, 2026, we had assembled a team of 871 R&D professionals, 44.1% of whom hold a master’s degree, Ph.D. or M.D. Many of them have years of industry experience at leading pharmaceutical corporations, such as Pfizer, MSD, GSK, and Johnson & Johnson, as well as prestigious universities both domestically and internationally, such as the University of Pennsylvania, the University of Maryland, the University of Michigan, the National University of Singapore, the French Academy of Sciences, Peking University, Tsinghua University and the Chinese University of Hong Kong.

We have established six R&D centers in China and the United States. They operate independently of one another and serve complementary functions. The table below summarizes the focus of each of our R&D centers as of the Latest Practicable Date:

| Location                                                                                               | Major Focus                                                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Maryland, the United States . . . . .                                                                  | Discovery and research of novel targets; discovery and development of innovative biologics, including fusion proteins, dual-epitope ADCs and bispecific ADCs; international multi-center clinical trials for innovative drugs |
| Hetao Shenzhen-Hong Kong Science and Technology Innovation Cooperation Zone, Shenzhen, China . . . . . | Discovery and research of novel targets; AIDD modeling and virtual screening; early discovery of small-molecule, cyclic peptide and siRNA drugs; research on target and mechanisms of action                                  |
| Pingshan District, Shenzhen, China . . . . .                                                           | Early discovery, pharmacology, toxicology, and druggability evaluation of small-molecule chemical drugs                                                                                                                       |
| Pingshan District, Shenzhen, China . . . . .                                                           | Research and development of medical devices                                                                                                                                                                                   |
| Chengdu, China . . . . .                                                                               | Early discovery of complex peptides, antibodies and fusion protein drugs; CMC of biologics                                                                                                                                    |
| Beijing, China . . . . .                                                                               | Clinical development                                                                                                                                                                                                          |

*Note:* The R&D center in Chengdu is organized under Chengdu Salubris, the medical device R&D center in Pingshan is organized under Salubris Medtech, and all other R&D centers are organized under Shenzhen Salubris.

**R&D Process**

We conduct substantially all of our R&D activities in-house, and adhere to a market-oriented strategy centered on addressing unmet medical needs in the CKM sector. Our pharmaceutical product development process typically involves the following milestone stages: (i) target identification and validation, (ii) AIDD/CADD molecule design and screening, (iii) research on molecule/target interaction mechanisms, (iv) preclinical studies (including pharmacodynamics (“PD”), pharmacokinetics (“PK”) and toxicological studies), (v) pharmaceutical research, process development and scale-up verification, (vi) clinical trials (Phase I/II/III trials), and (vii) NDA/BLA submissions.

Our medical device development process typically involves the following stages: (i) product planning, (ii) prototype design, (iii) verification and preclinical studies, (iv) clinical evaluation or registrational trial, and (v) regulatory submission.

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### Technology Platforms

We have established a comprehensive suite of advanced technology platforms. These include five core drug technology platforms, spanning small molecules, antibodies, peptides, siRNA, and gene editing, an integrated AIDD/CADD platform that supports our drug discovery and design, as well as a dedicated medical device development platform.

Below is a description of our selected technology platforms.

#### *Cyclic Peptide Platform*

We have established a cyclic peptide platform that covers the entire cyclic peptide development process, encompassing AIDD-driven molecular design, synthesis, separation and purification, biological screening, pharmacological and pharmacokinetic evaluation, and formulation development. Our cyclic peptide platform integrates solid-phase synthesis technology, rational design by medicinal chemists, and AI-enabled prediction capabilities, which have significantly enhanced the efficiency of drug development.

The development of innovative cyclic peptide therapies aligns closely with our focus on chronic disease areas. At the forefront of contemporary innovative drug R&D, cyclic peptide technology is revolutionizing the field by continuously expanding the therapeutic potential of protein-protein interaction targets that are considered “undruggable” by small molecules. As a class of peptide drugs composed of amino acids, cyclic peptides are characterized by low toxicity, minimal side effects, and high safety, making them well-suited for meeting the long-term medication needs of chronic disease patients. Furthermore, cyclic peptides are more stable than their linear counterparts and are less prone to hydrolysis by proteases in the human body. This stability facilitates their development into oral or long-acting injectable formulations, thereby significantly improving patient medication adherence.

Over the last two years, we have advanced nearly ten research programs focused on oral and/or long-acting injectable cyclic peptides, spanning cardiovascular, metabolic, and autoimmune disorders. Our efforts have yielded several drug candidates targeting conditions such as hyperlipidemia, diabetes and obesity, psoriasis, and inflammatory bowel disease. Notably, we have initiated the Phase I clinical trial of SAL0167, a cyclic peptide targeting PCSK9, for the treatment of hyperlipidemia.

#### *siRNA Platform*

The siRNA platform focuses on the field of chronic diseases, leveraging siRNA—a highly targeted, specific, ultra-long-acting, and safer drug form—to conduct comprehensive drug development, particularly in the CKM sector. We aim to develop next-generation small nucleic acid drugs, enhance medication adherence, and benefit more patients.

Our siRNA platform integrates several critical technologies in the development of siRNA therapeutics. Our platform enables the development of both liver-targeted delivery systems and extrahepatic (muscle, nerve, fat, and kidney) delivery systems. In addition, our platform incorporates AI-assisted nucleic acid sequence modification design capabilities, high-throughput rapid screening capabilities, bioactive pharmacological and pharmacokinetic evaluation, as well as CMC process scale-up capabilities.

Empowered by our siRNA platform, as of the Latest Practicable Date, we had developed a pipeline of over 10 innovative siRNA drug candidates. These drug candidates are single-target or multi-target agents based on hepatic or extrahepatic delivery technology, taking the form of small

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molecules, cyclic peptides, AOCs, and peptide conjugated antibodies. Our portfolio spans metabolic disorders such as hyperlipidemia, hypertension, fat loss and muscle gain, diabetes, and fatty liver, as well as neurodegenerative diseases such as Parkinson’s disease and Alzheimer’s disease. Notably, SAL0145 is currently undergoing a Phase I clinical trial for the treatment of MASH. Globally, it is the third HSD17B13-targeting siRNA therapeutic to have entered clinical development, according to Frost & Sullivan.

### ***AIDD/CADD Platform***

We have built an AI-driven or computer-aided drug design (“**AIDD/CADD**”) platform to support the R&D of various modalities of drugs.

*Small molecules.* We leverage our AI-driven capabilities, including intelligent data extraction, molecular generation algorithms, synthetic accessibility prediction, virtual screening, and ADMET drug-likeness evaluation of absorption, distribution, metabolism and excretion properties and various toxicities, to accelerate chemical drug discovery. In addition, we employ structure-based rational drug design guided by crystallographic principles to enable precise targeting within the chemical space, which forms a critical decision support for early-stage discovery of small-molecules. As of the Latest Practicable Date, this platform had enabled the optimization and screening of more than 15 active research programs, demonstrating high accuracy in binding mode prediction and hERG risk assessment in our drug discovery. The hERG channel is a critical component of cardiac function, and its inhibition can lead to potentially fatal arrhythmias.

*Cyclic peptides.* Our independently deployable AI-driven workflow provides a novel, efficient pathway for the generation and optimization of cyclic peptides in early-stage discovery. The platform leverages cyclic peptide-protein co-crystal structures to drive rational optimization, creating a closed-loop drug design framework that progresses molecules from early discovery to the generation of PCC candidates. This is best exhibited in our discovery of SAL0167 from nearly 20 molecules in just three months.

*Small nucleic acids.* Built upon internally standardized datasets, we have developed our proprietary AI predictive models that support key research stages, including nucleic acid sequence modification design, optimization of critical chemical modification sites, and off-target and toxicity prediction. This approach has effectively reduced our reliance on early-stage animal studies such as rodent toxicology and significantly improved our screening efficiency.

### **Clinical Development**

We have assembled a full-functional in-house clinical development team, with expertise spanning clinical pharmacology, clinical research, data science, quality assurance, pharmacovigilance, and clinical operations, which enables us to advance innovative products seamlessly from IND to NDA/BLA submissions. Since 2018, we have completed 111 IND submissions and 12 NDA/BLA submissions.

As of the Latest Practicable Date, we had a network of over 400 clinical trial sites across 30 provincial regions and over 130 cities in China, and had collaborated with approximately 800 principal investigators, primarily in the CKM sector. Furthermore, we have initiated global multi-regional clinical trials (including in China, North America, and Europe), for a number of products demonstrating global potential such as JK06 (SAL006) and JK07 (SAL007). We are the first Chinese company that has initiated global multi-regional clinical trials for the treatment of heart failure, according to Frost & Sullivan.

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As a supplement to our in-house clinical capabilities, we also outsource certain development work to third-party CROs and SMOs which we consider to be cost-efficient and in line with market practice. We have developed and maintained standard operating procedures for the selection of, and the qualification requirements on, CROs and SMOs. They are selected based on a number of factors, including their qualifications, credentials, professional experience, and industry reputation. Based on the service requirements of each project, we typically select multiple CROs or SMOs to participate in competitive biddings and negotiations, to ensure that we have alternative suppliers for each required service. In 2023, 2024, 2025, and the six months ended June 30, 2026, we engaged three, three, four, and four CROs, and ten, seven, 22, and 28 SMOs, respectively. We incurred related research and development expenses of RMB39.5 million, RMB67.3 million, RMB68.6 million, and RMB12.8 million for the same periods, respectively.

During the Track Record Period, we engaged experienced and qualified third-party CROs to support our clinical trials in China and the United States. The following sets forth salient terms of our arrangements with these CROs and SMOs:

- *Scope of services.* In line with industry practice, CROs render logistics execution and operation services to assist us in implementing and managing clinical trials in accordance with agreed trial design and under our supervision. 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.
- *Our responsibilities.* We are responsible for designing the protocol for clinical trials, including efficacy and safety endpoints and measurements. As part of sponsor oversight on critical partners, we closely monitor the CROs’ performance and compliance with our protocols and applicable laws, regulations, and guidelines, to ensure the high integrity and authenticity of our clinical trial data. We also provide specific directions to ensure the quality and efficiency of the trial execution.
- *Payment.* We typically make an initial payment within a specified timeframe upon the execution of the agreement and make subsequent payments contingent upon achieving specific project milestones. We generally reconcile all payments against the deliverables they provided at the conclusion of the project.
- *Intellectual property.* All clinical results, reports, publications, and related rights and interests, including all intellectual property rights in connection with the performance of the agreements, are owned by us. Without our prior written consent, they may not use, disclose or publish these intellectual properties.
- *GCP compliance.* We require the CRO to conduct clinical trials in accordance with international GCP standards.
- *Confidentiality.* CROs and SMOs are obligated to keep all non-public information and data from clinical trials confidential.

During the Track Record Period and up to the Latest Practicable Date, we did not terminate any CROs or SMOs due to any material breach of the terms of relevant agreements, nor did we experience any material disputes with these CROs or SMOs.

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### R&D Publications

The following table provides our selected influential publications:

| Product/Product Candidate | Article                                                                                                                                                                                                                                 | Journal                                            |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|
| XinLiTan . . . . .        | Efficacy of antihypertensive treatment for target organ protection in patients with masked hypertension (ANTI-MASK): a multicentre, double-blind, placebo-controlled trial                                                              | EClinicalMedicine (part of the Lancet)             |
| XinLiTan . . . . .        | Asian Expert Consensus on Nocturnal Hypertension Management                                                                                                                                                                             | Hypertension                                       |
| EnNaLuo . . . . .         | Enarodustat for the Treatment of Anemia in Chinese Patients with Non-dialysis Chronic Kidney Disease: A Phase 3 Trial                                                                                                                   | Kidney Diseases                                    |
| EnNaLuo . . . . .         | A Phase 3 Study of Enarodustat in Chinese Patients Undergoing Peritoneal Dialysis for Treatment of Anemia: the ENAROPERA Study                                                                                                          | Kidney Diseases                                    |
| XinChaoTuo . . . . .      | Efficacy and safety of sacubitril/allisartan for the treatment of primary hypertension: a phase 2 randomized, double-blind study                                                                                                        | Hypertension Research                              |
| XinChaoTuo . . . . .      | Blood pressure-lowering efficacy of sacubitril/allisartan versus Olmesartan in Chinese hypertensive patients with a non-dipping blood pressure pattern                                                                                  | Journal of Hypertension                            |
| XinChaoTuo . . . . .      | Protective effect of novel angiotensin receptor neprilysin inhibitor S086 on target organ injury in spontaneously hypertensive rats                                                                                                     | Biomedicine & Pharmacotherapy                      |
| XinLiTing . . . . .       | Fotagliptin add-on therapy to metformin in patients with uncontrolled type 2 diabetes: a randomized, multicenter, double-blind, placebo-controlled, phase 3 trial                                                                       | Diabetes Obesity & Metabolism                      |
| SAL003 . . . . .          | Model-Informed Dose Selection for a Novel Human Immunoglobulin G4 Derived Monoclonal Antibody Targeting Proprotein Convertase Kwashiorkor Type 9: Insights from Population Pharmacokinetics – Pharmacodynamics and Systems Pharmacology | ACS Pharmacology & Translational Science           |
| JK07 (SAL007) . . . . .   | Single Ascending-Dose Study of Selective ErbB4 Agonist JK07 in Heart Failure With Reduced Ejection Fraction                                                                                                                             | JACC: BASIC TO TRANSLATIONAL SCIENCE               |
| Maurora . . . . .         | Follow-up Optical Coherence Tomography Evaluation of Endothelialization in Drug-eluting Stents for Symptomatic Vertebral Artery Stenosis: a Report of Nine Cases                                                                        | Clinical Neuroradiology                            |
| Maurora . . . . .         | Effect of a Drug-Eluting Stent vs. Bare Metal Stent for the Treatment of Symptomatic Intracranial and Vertebral Artery Stenosis                                                                                                         | Frontiers in Neurology                             |
| Neurora . . . . .         | Durable fluoropolymer drug-eluting stent versus baremetal stent for the prevention of intracranial in-stent restenosis                                                                                                                  | Journal of Neurology, Neurosurgery, and Psychiatry |

### INTELLECTUAL PROPERTY

We protect our intellectual property rights through a combination of patents, trademarks, copyrights, trade secrets, including know-how, license agreements, confidentiality agreements and procedures, non-disclosure agreements with third parties, employee disclosure and invention assignment agreements, and other contractual rights.

## BUSINESS

Our patents and patent applications are primarily related to (i) the compounds, formulations, preparation methods, indications, and fixed-dose combinations of our drugs and drug candidates, and (ii) medical devices. As of the Latest Practicable Date, we had 327 issued patents (including 222 invention patents) and 162 patent applications pending in Chinese Mainland. As of the same date, we also had 93 issued patents and 260 patent applications overseas, such as the United States, Japan, Europe, Korea, Canada, and Australia (including 39 international applications strategically filed under the Patent Cooperation Treaty). The following table summarizes the details of the material issued invention patents owned by our Group for our marketed drugs:

| Related Product   | Patent                                                                                                                             | Place of Registration                                                                                                       | Expiry Date        |
|-------------------|------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|--------------------|
| XinLiTan . . . .  | Pharmaceutical Compositions                                                                                                        | Chinese Mainland                                                                                                            | January 7, 2028    |
| XinLiTan . . . .  | Amorphous Form of Allisartan Isoproxil, Preparation Method Therefor and Pharmaceutical Compositions Comprising Said Amorphous Form | Chinese Mainland                                                                                                            | October 28, 2034   |
| XinLiTan . . . .  | A Solid Dispersion of Allisartan Isoproxil and Pharmaceutical Compositions Containing the Same                                     | Chinese Mainland                                                                                                            | June 16, 2035      |
| XinLiTan . . . .  | Salt Crystal Forms of Allisartan Isoproxil and Pharmaceutical Compositions Comprising Said Salt Crystal Forms                      | Chinese Mainland                                                                                                            | October 24, 2038   |
| XinLiTan . . . .  | Method for Synthesizing Tetrazole by Recovering Triphenylmethyl Ether from Allisartan Isoproxil Waste Residues                     | Chinese Mainland                                                                                                            | July 26, 2044      |
| XinLiTing . . . . | 3-(3-Aminopiperidin-1-yl)-5-oxo-1,2,4-triazine Derivatives as Dipeptidyl Peptidase IV (DPP-IV) Inhibitors                          | Chinese Mainland                                                                                                            | December 28, 2030  |
| XinChaoTuo . . .  | Complexes of Metabolites of Angiotensin II Receptor Antagonists and Neprilysin (NEP) Inhibitors, and Preparation Methods Thereof   | Chinese Mainland, Hong Kong, Taiwan, United States, South Korea, Australia, South Africa, Russia, Mexico, Indonesia, Europe | January 19, 2037   |
| XinChaoTuo . . .  | Use of Complexes of Metabolites of Angiotensin II Receptor Antagonists and Neprilysin (NEP) Inhibitors in Treating Heart Failure   | Chinese Mainland, Hong Kong, Taiwan, United States, Japan, South Korea, South Africa, Australia, Russia, Europe             | September 18, 2040 |
| XinChaoTuo . . .  | Novel Uses of Complexes of Metabolites of Angiotensin II Receptor Antagonists and Neprilysin (NEP) Inhibitors                      | Chinese Mainland                                                                                                            | May 26, 2040       |
| XinChaoTuo . . .  | Complexes of Angiotensin II Receptor Antagonists and Neprilysin (NEP) Inhibitors, and Preparation Methods Thereof                  | Chinese Mainland                                                                                                            | November 9, 2040   |
| XinChaoTuo . . .  | A Pharmaceutical Composition of a Complex and Preparation Method Thereof                                                           | Chinese Mainland                                                                                                            | June 17, 2041      |
| XinChaoTuo . . .  | Application of Complexes of Metabolites of Angiotensin II Receptor Antagonists and Neprilysin (NEP) Inhibitors in Heart Failure    | Chinese Mainland                                                                                                            | August 16, 2041    |
| FuLiAn . . . . .  | A Pharmaceutical Composition of Allisartan Isoproxil or a Salt Thereof and a Diuretic                                              | Chinese Mainland                                                                                                            | November 23, 2038  |
| FuLiAn . . . . .  | Novel Application of a Compound Pharmaceutical Composition of Allisartan Isoproxil and Indapamide                                  | Chinese Mainland                                                                                                            | November 11, 2041  |
| FuLiTan . . . . . | A Compound Pharmaceutical Composition of Allisartan Isoproxil or a Salt Thereof and a Calcium Channel Blocker                      | Chinese Mainland                                                                                                            | November 23, 2038  |
| FuLiTan . . . . . | Novel Application of a Compound Pharmaceutical Composition of Allisartan Isoproxil and Amlodipine                                  | Chinese Mainland                                                                                                            | November 11, 2041  |

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The compound invention patent, which covers the active ingredient for one of our major marketed drugs, XinLiTan, expired in July 2026. Our commercial benefits of such product may, however, continue to be protected by non-substance patents such as the patent relating to the formulation and preparation processes of such product, which remains valid until January 2028. For details, see “Appendix VI Statutory and General Information—B. Further Information About our Business—2. Intellectual Property Rights of our Group—(b) Patents.”

As of the Latest Practicable Date, we had a total of 515 registered trademarks and 22 trademark applications pending in China and overseas. We also own five registered domain names, including our official website.

During the Track Record Period and up to the Latest Practicable Date, we were not aware of any infringement of our intellectual property rights, or any disputes or claims against us in relation to the infringement of intellectual property rights of third parties, that were pending or threatened and would, individually or in the aggregate, have a material adverse impact on our business, financial condition or results of operations. For information related to the risks associated with our intellectual property, please see “Risk Factors—Risks Related to Our Business and Industry—If we are unable to obtain and maintain patent protection for our products and product candidates through intellectual property rights, or if the scope of such intellectual property rights obtained is not sufficiently broad, our competitors could compete against us more effectively, which may have a material adverse impact on our business and results of operations” and “—We may be subject to intellectual property infringement claims, which could divert our management’s attention, expose us to substantial liability, harm our reputation, limit our R&D or other business activities and impair our ability to sell our products or commercialize our product candidates.”

## SALES, MARKETING AND DISTRIBUTION

### Sales and Marketing Network

As of June 30, 2026, we had assembled an experienced in-house sales and marketing team of over 1,800 professionals. Our professionals are organized by therapeutic areas, product offerings and sales channels to enhance execution effectiveness and support deep market penetration, particularly in the CKM sector. To enhance our marketing efforts, we have strategically built multiple specialized teams with complementary functions, including business development, market research and analytics, product launch planning, brand management, and project operations.

As of June 30, 2026, our extensive commercial reach had covered over 86,000 hospitals and over 93,000 retail pharmacies across over 30 provincial regions in China. The following table sets forth the number of hospitals and pharmacies our distributors covered for the periods indicated:

|                      | As of December 31, |        |        | As of June 30, |
|----------------------|--------------------|--------|--------|----------------|
|                      | 2023               | 2024   | 2025   | 2026           |
| Hospitals . . . . .  | 47,530             | 55,062 | 57,538 | 86,732         |
| Pharmacies . . . . . | 118,197            | 71,283 | 88,329 | 93,523         |

We execute a tiered-marketing strategy to ensure coverage while optimizing resource allocation. We classify target hospitals and specialties by their expertise, potential, and influence. We will deploy our dedicated in-house professionals to focus on key high-priority markets, while contracting with external partners for logistics and sales and marketing support to ensure a broad and effective coverage in lower-tier cities and rural regions. In selecting these partners, we focus on their expertise in our focused therapeutic areas, local resources and compliance track record. We provide them with necessary training and maintain strict oversight to ensure their ongoing compliance with our established standards and procedures. To broaden our market reach, we have also established collaborations with leading pharmacy chains and online healthcare platforms to build our online distribution network.

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### Academic Promotion

We focus on academic promotion to support market adoption of our products, particularly in the CKM sector. We organize and participate in a wide variety of academic activities to continuously enhance our brand recognition and awareness of our products among healthcare professionals and the broader medical community. We also work with medical experts and conduct post-marketing studies to further evaluate the real-world safety, efficacy and clinical value of our products, with a view to supporting differentiated positioning and potential new indications or use scenarios.

In addition, we regularly organize and participate in a wide variety of major domestic and international academic conferences, seminars, and symposia in relation to our main therapeutic areas to enhance our brand recognition. Results of our clinical studies have been presented at major international academic conferences such as the 2023 European Society of Cardiology Congress Annual Meeting, the 2024 European Society of Hypertension Annual Meeting, the 2025 European Society for Medical Oncology Annual Meeting, and the 2023 Heart Failure Society of America Scientific Meeting. Furthermore, as part of our branding strategy, we actively initiate and participate in medical research funding initiatives with the goal of driving academic progress to benefit patients worldwide.

### Sales and Distribution

We primarily sell our pharmaceutical products and medical devices through third-party distributors, who are our direct customers and subsequently sell our products to hospitals, pharmacies, and other medical institutions. We believe that this distribution strategy enables us to expand market coverage in a cost-effective manner, while maintaining appropriate oversight of our distribution network. To a lesser extent, we also engage in direct sales of APIs and intermediates to pharmaceutical companies. The following table sets forth a breakdown of our revenue generated from sales to distributors and direct sales for the periods indicated:

|                             | Year Ended December 31, |                    |                  |                    |                  |                    | Six Months Ended June 30, |                    |                  |                    |
|-----------------------------|-------------------------|--------------------|------------------|--------------------|------------------|--------------------|---------------------------|--------------------|------------------|--------------------|
|                             | 2023                    |                    | 2024             |                    | 2025             |                    | 2025                      |                    | 2026             |                    |
|                             | RMB'000                 | % of total revenue | RMB'000          | % of total revenue | RMB'000          | % of total revenue | RMB'000                   | % of total revenue | RMB'000          | % of total revenue |
|                             |                         |                    |                  |                    |                  |                    | (unaudited)               |                    |                  |                    |
| Sales to distributors . . . | 2,953,241               | 87.8               | 3,508,086        | 87.4               | 3,895,172        | 89.5               | 1,922,889                 | 90.2               | 2,204,581        | 88.9               |
| Direct sales . . .          | 412,102                 | 12.2               | 504,146          | 12.6               | 457,489          | 10.5               | 208,079                   | 9.8                | 274,555          | 11.1               |
| <b>Total . . . . .</b>      | <b>3,365,343</b>        | <b>100.0</b>       | <b>4,012,232</b> | <b>100.0</b>       | <b>4,352,661</b> | <b>100.0</b>       | <b>2,130,968</b>          | <b>100.0</b>       | <b>2,479,136</b> | <b>100.0</b>       |

### Distribution

#### Distributor Network

As of June 30, 2026, our distribution network comprised 678 distributors across over 30 provincial-level regions in China. During the Track Record Period, our distributors contributed a substantial majority of our total revenue. To the best knowledge of our Directors, during the Track Record Period, all of our distributors were Independent Third Parties, and none of our distributors were wholly-owned or majority controlled by our former or current employees. In addition, to the best knowledge of our Directors, we do not have any other relationship or arrangement (including family, business, financing, guarantee or otherwise in the past or present) with the distributors engaged by us during the Track Record Period.

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The following table sets forth the changes in the number of our distributors for the periods indicated:

|                                                                 | Year Ended December 31, |      |      | Six Months Ended June 30, |
|-----------------------------------------------------------------|-------------------------|------|------|---------------------------|
|                                                                 | 2023                    | 2024 | 2025 | 2026                      |
| Number of distributors at the beginning of the period . . . . . | 740                     | 775  | 788  | 902                       |
| Addition of new distributors <sup>(1)</sup> . . . . .           | 318                     | 315  | 370  | 171                       |
| Termination of existing distributors <sup>(2)</sup> . . . . .   | 283                     | 302  | 256  | 395                       |
| Net increase/(decrease) of distributors . . . . .               | 35                      | 13   | 114  | (224)                     |
| Number of distributors at the end of the period . . . . .       | 775                     | 788  | 902  | 678                       |

*Notes:*

- (1) New distributors refer to distributors who (i) had at least one transaction with us in the relevant period and (ii) did not have any transaction with us in the immediately preceding calendar year. Additions of distributors in each year/period during the Track Record Period aligned with our initiatives to deepen the penetration of our products in primary-level, low-grade public hospitals and other private medical institutions.
- (2) Terminated distributors refer to distributors who (i) did not have any transaction with us in the relevant period and (ii) had at least one transaction with us in the immediately preceding calendar year. Terminations of existing distributors in each year/period during the Track Record Period were primarily due to our decreased demand of engaging distributors for distribution of our generics affected by the increased competition in the regional VBPs. In particular, in the six months ended June 30, 2026, as certain of our products, such as TaiJia and XinLiXin, participated in national VBP schemes following the start of VBP cycles, we strategically optimized our distribution network by focusing on large-scale distributors, which resulted in a decrease in the number of distributors.
- (3) The high turnover of distributors during the Track Record Period was primarily attributable to fluctuations in the number of generic drug distributors with which we had relatively small transaction amounts. Our distribution agreements typically have a term of one year. We may decide not to renew or resume collaboration with distributors based on the VBP inclusion or renewal status of the relevant products and the regions affected. According to Frost & Sullivan, our turnover of distributors during the Track Record Period was in line with the industry norm.

### *Distributor Management*

We screen and select our distributors by considering their business and compliance credentials, financial stability, distribution and sales capabilities, historical performance and reputation, among others. We conduct inspections to evaluate their performance and verify necessary permits and certifications, including drug operation permits and GSP certifications. We also carry out regular evaluations to determine whether to adjust our list of qualified distributors and their designated distribution regions.

### Arrangements with Distributors

We have a seller-buyer relationship with our distributors under a buy-out sale model. Under this model, we do not retain ownership of the products sold to distributors, and the title and the risks and rewards of ownership are transferred to distributors upon delivery to and acceptance by them.

Salient terms of our arrangements with distributors are set forth as follows:

- *Term.* Our distribution agreements typically have a term of one year.
- *Designated distribution area.* Distributors are generally not allowed to sell our products outside of their designated distribution areas.

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- *Exclusivity.* Distributors are granted the distributorship rights for specified types of products within their designated distribution areas, generally on a non-exclusive basis.
- *Sales target and minimum purchase requirement.* Our agreements with distributors generally do not specify an agreed annual sales target or minimum annual purchase amount.
- *Pricing.* Our selling prices to distributors are generally fixed for the term of the relevant distribution agreement. For sales of our pharmaceutical products, we set pricing terms for our distributors primarily based on their selling prices applicable to public hospitals and other public medical institutions, which may vary in different regions. For sales of our medical devices, we price the products by reference to the prices of similar products in the market, taking into account our product advantages and differentiating features. However, in the event of any change to such prices as a result of regulatory or policy changes, centralized procurement processes, or government pricing negotiations during the term of the distribution agreement, we and the relevant distributors will negotiate corresponding price adjustments accordingly.
- *Resale price management.* We generally do not control or set the prices at which our distributors resell our products to their customers.
- *Credit terms.* For sales of pharmaceutical products, we either require our distributors to make full payment upon delivery or allow them to purchase on credit, subject to a credit period granted by us. We generally grant eligible distributors a credit term of up to approximately three months. For sales of medical devices, we require full payment from our distributors before shipment.
- *Intellectual Property and Compliance.* Our distributors are not authorized to use our trade name or any other material which may lead others to believe that they are acting on our behalf. They are required to comply with applicable laws and regulations, including anti-corruption and anti-bribery laws and regulations.
- *Termination.* The distribution agreement may be terminated upon the occurrence of specified events, including mutual agreement to terminate, a material breach by the distributor, and/or a force majeure event.

During the Track Record Period and up to the Latest Practicable Date, we did not terminate our business relationship with any distributors due to any material breach of the terms of relevant distribution agreements.

### Prevention of Cannibalization

We manage cannibalization risk among our distributors through enforcement of our distribution agreements, which specify the designated products and geographic regions for each distributor. Our distributors are prohibited from distributing our products to customers outside their specified regions. In addition, we leverage our direct data integration system and the collection of sales flow information to monitor distributors’ sales to end customers or sub-distributors, and identify any abnormalities in a timely manner. Once we detect such sales anomalies, such as cross-channel or cross-regional sales, we will immediately require the relevant distributors to cease all sales outside their authorized channels or regions, and may impose penalties for the unauthorized sales or terminate the distribution agreements.

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### Prevention of Channel Stuffing

Under our buy-out sale model, ownership of our products transfers to our distributors upon delivery, and except for cases involving defective products, policy-related factors or special circumstances subject to our discretionary approval, we do not accept product returns from our distributors. This model shifts the risk of unsold inventory to our distributors. Since their capital is tied up in the inventory, distributors are incentivized to order based on actual sales demand, which reduces holding costs and the risk of obsolescence. In addition, each of our pharmaceutical products has a specified expiry date. Given the typically limited shelf life of our drugs, we do not believe it is commercially reasonable for our distributors to overstock inventory.

We have also adopted various measures to avoid channel stuffing. We actively monitor the number of our distributors and our distributors’ overall inventory levels, and track the flow of our products to optimize the delivery pace and control the risk of overstocking by distributors. In addition, we conduct periodic sampling checks across different products and review sales and/or inventory data from our distributors, and may request further information if we identify any irregularities. Furthermore, we consider purchase volumes, historical trends, regulatory changes, and other market factors in monitoring our product sales. We actively adjust our sales strategy and the geographic or product coverage of each distributor based on market demand and each distributor’s capacity. Moreover, to encourage our distributors to place orders based on actual market demand and sales forecasts, we generally do not set sales targets or minimum purchase requirements for our distributors. During the Track Record Period and up to the Latest Practicable Date, we did not identify any unusually large procurement volume inconsistent with the relevant distributors’ past practices, or any abnormally high inventory level among our distributors. Based on the above, our Directors believe that there was no unreasonable accumulation of inventories by our distributors during the Track Record Period.

### *Compliance with the “Two-Invoice System” in China*

Under the Two-Invoice System in China, no more than two invoices are issued in the distribution chain for drugs supplied to public medical institutions: one invoice is issued by drug manufacturers to drug distributors, and one invoice is subsequently issued by drug distributors to public medical institutions. The Two-Invoice System has been implemented through central policy and local implementation rules to control drug prices by reducing layers of distribution and limiting price markups during the distribution process. While public medical institutions are required to adopt the Two-Invoice System, private medical institutions are encouraged but not required to do so. Drug manufacturers and distributors who fail to comply with the Two-Invoice System may be disqualified from attending future bidding events or distributing drugs for the hospitals or be blacklisted from drug procurement by public medical institutions. For more information on the Two-Invoice System, please refer to “Regulatory Overview—PRC Laws and Regulations—Laws and Regulations in Relation to the Pharmaceutical Industry—Two-invoice System” in this document. During the Track Record Period and up to the Latest Practicable Date, we had complied with the Two-Invoice System in China.

### Sub-distribution

We require our distributors to strictly comply with the Two-Invoice System in China. Specifically, our distributors are prohibited from engaging sub-distributors to distribute our products to public medical institutions. For distribution of our products to private medical institutions and pharmacies in China, we do not require our distributors to seek our prior approval to engage sub-distributors, since the Two-Invoice System is not required to be implemented for such sales. We do not have contractual relationships with sub-distributors engaged by our distributors, nor do we manage such sub-distributors directly. Instead, we rely on our distributors to supervise their respective sub-distributors. Our existing distribution model is in line with the general industry practice, according to Frost & Sullivan.

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### *Ongoing Compliance*

We have adopted a series of internal control measures to monitor the implementation of the Two-Invoice System in different regions to ensure our ongoing compliance with relevant rules, regulations and policies. We generally monitor the types and/or identities of our end-customers through our distributors. Through such information, we gain insight into distributors’ sales activities and continuously oversee our distribution network’s adherence to the Two-Invoice System. Should we detect any violations of the Two-Invoice System by a distributor, we will enforce stringent penalties, including suspension or termination of the distributor’s contract and claims for liquidated damages, and may take other legal actions. In addition, our distribution agreements typically specify the distribution area and period, and we reserve the right to adjust the distribution area and products authorized to each distributor. This flexibility ensures that, even if the scope of the Two-Invoice System expands in the future, we remain well-positioned to collaborate with established local distributors and effectively adjust our distribution network.

Our Directors confirm that we have not (i) been included in the medical institution procurement blacklist for any violation of the Two-Invoice System, (ii) been disqualified from participating in public bidding procedures in any province, (iii) received any warnings or notices from any competent authorities requiring compliance with the Two-Invoice System, or (iv) been subject to any penalties, litigation or arbitration proceedings for any violation of the Two-Invoice System. Based on the review report issued by our internal control consultant (the “**IC Consultant**”), we have relevant policies in place that specify the requirements for the management of distributors under the Two-Invoice System. Based on these confirmations, as well as compliance certificates issued by the relevant competent authorities, and publicly available information from local legal and regulatory databases, our PRC Legal Advisor is of the view that we had complied in all material respects with the laws and regulations on Two-Invoice System during the Track Record Period and up to the Latest Practicable Date.

### *Direct Sales*

Our direct sales are managed by our in-house sales and marketing team, who lead client engagement, strategy planning, and account management. Our direct sales are governed by standard sales contracts, which stipulate quality standards, supply scope, payment schedule, delivery time, acceptance procedures, and warranty terms. Under our direct sales model, customers are generally required to make payments within 45 days after receipt of goods.

## PRICING

We formulate and implement a reasonable pricing strategy for our marketed products to stay competitive and profitable. We take into account a number of factors in determining our prices, which primarily include our R&D, production and marketing costs and expenses, the perceived value of products, our market share and the competitive landscape. In addition, our pricing strategies are also affected by applicable regulations and policies in our industry, including medical insurance reimbursement standards and regulation of medical and pricing practices. In 2023, 2024, 2025, and the six months ended June 30, 2025 and 2026, sales revenue from our drugs that had been included either in China’s national reimbursement drug list (“**NRDL**”) or the national volume-based procurement (“**VBP**”) scheme amounted to RMB2,524.6 million, RMB3,043.9 million, RMB3,282.4 million, RMB1,626.2 million, and RMB1,844.0 million, which accounted for approximately 82.4%, 84.5%, 85.6%, 85.9%, and 83.3% of our total sales revenue of pharmaceuticals, respectively. During the Track Record Period, our marketed products included in the NRDL or VBP schemes that contributed more than 5% of our total revenue were XinLiTan, XinLiXin, TaiJia, Maurora, and EnNaLuo.

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### NRDL

Under the PRC national medical insurance program, program participants are eligible for full or partial reimbursement of the cost of drugs listed in national, provincial or local medical insurance catalogs. Government authorities regularly review the inclusion or removal of medicines from the NRDL or other catalogs, and determine the reimbursement category under which a medicine will be classified, each of which affects the amounts reimbursable to program participants for their purchases of the medicine.

As of the Latest Practicable Date, 32 out of our 44 marketed drugs, including all of our marketed innovative drugs, had been included in the NRDL. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, sales revenue from our drugs that had been included in the NRDL accounted for approximately 75.0%, 75.9%, 75.4%, 85.8%, and 83.3% of our total sales revenue of pharmaceuticals, respectively. Inclusion in the NRDL can increase patient access and support broader market adoption of the relevant products. To achieve this, our products undergo a stringent evaluation and approval procedure based on the NRDL’s selection criteria. Being part of the NRDL has substantial implications for our company as it determines the medical insurance reimbursement standards for our products. However, this may also lead to a decrease in the price of our products due to the transparent, multi-party negotiation mechanism for pricing. With eight rounds of national negotiations completed, the overall rate of price reductions has gradually stabilized. CKM drugs, in particular, saw an average price reduction of 60%, 61%, and 59% in the most recent three rounds of national negotiations, according to Frost & Sullivan. Our Directors are of the view that the benefits of inclusion of our products in the NRDL outweigh the pricing pressure for the following reasons: (i) inclusion in the NRDL can increase patient access and support broader market adoption of our products. Despite the price reduction, the gross profit margin of our innovative drugs remained relatively stable during the Track Record Period; and (ii) the NHSA has shown a more innovation-friendly stance in NRDL rule changes, which further improves the commercial outlook for China’s innovative drug developers like us. For details, see “Regulatory Overview—PRC Laws and Regulations—Law and Regulations in Relation to the Pharmaceutical Industry—China’s National Medical Insurance System.”

### Centralized Procurement Process and Volume-based Procurement

In the PRC, public hospitals and other public medical institutions generally purchase pharmaceutical products through a government-led centralized procurement process. Generally, pharmaceutical companies participate in competitive tendering to have their drugs listed on an online procurement platform operated at the provincial or other local level. The terms and procedures of such centralized procurement processes vary across different regions in China. We, as the pharmaceutical manufacturer and the holder of marketing authorizations for drugs covered by the centralized procurement program, submit bids in the centralized procurement process. Bids are generally evaluated based on, among other things, price competitiveness, product quality, clinical effectiveness, as well as qualifications and reputation of the manufacturer.

The VBP scheme is typically conducted through a centralized procurement process. It primarily aims to reduce the costs of pharmaceuticals with mature, high-volume clinical usage and sufficient market competition through a competitive bidding process for large-volume procurement. As part of the bidding process for the VBP scheme, relevant products need to undergo an evaluation and approval procedure based on specific criteria. While the VBP scheme may allow us to sell our products in larger volumes through guaranteed procurement volumes, to successfully participate in the VBP scheme, pharmaceutical manufacturers are generally required to implement substantial price reductions compared to the prices at which such products were sold previously.

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## BUSINESS

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We decide whether to participate in VBP schemes and their renewals based on several key factors, including (i) timetable and policies governing the bidding process; (ii) cost-benefit analysis, taking into account the production costs and any applicable price caps; and (iii) the market dynamics and competitive landscape of relevant generic drugs. We actively participate in VBP renewal bidding upon the end of validity periods of the existing VBP schemes, unless our cost of sales significantly exceeds the bidding price. Historically, we maintained an overall high success rate (median: 76.6%) in bidding and renewal processes for the VBP schemes in which we chose to participate. As of the Latest Practicable Date, each drug class to which our generics belong had been subject to the VBP scheme, and a substantial majority of our generics had been included in the VBP scheme.

To mitigate downward pricing pressure, we continue to diversify our product matrix by introducing new innovative drugs. Our Directors are of the view that the pricing pressure from the VBP schemes would not have a material adverse impact on our business operations and financial performance, due to the following: (i) our revenue growth is expected to continue to be driven primarily by innovative drugs, as of the Latest Practicable Date, none of our innovative drugs had participated in VBP schemes, and they are not expected to be affected by the VBP scheme in the near term; (ii) our major marketed generic drugs, such as TaiJia, benefit from significant economies of scale, which effectively mitigate pricing pressure; and (iii) sales revenue of drugs included in the national VBP schemes, as a percentage of our total sales revenue of pharmaceuticals, decreased throughout the Track Record Period, from 51.0% in 2023 to 45.0% in 2024, further to 31.8% in 2025, and from 34.8% in the six months ended June 30, 2025 to 27.1% for the same period of 2026.

### PRODUCT RETURNS AND COMPLAINTS

Product returns by our distributors are generally not allowed. Our distributors are required to inspect products upon delivery. Any products accepted upon delivery are not eligible for returns, except for cases involving defective products, policy-related factors or special circumstances subject to our discretionary approval. We will dispose of any defective products that have been returned, and will not resell these products, regardless of whether or not they have passed the expiry dates.

According to the Good Supply Practice for Drugs (藥品經營質量管理規範) of the PRC, distributors of pharmaceutical companies must conduct acceptance inspections on all incoming products to prevent any defective items from entering the market. Non-conforming products must be identified and disposed of under the supervision of the quality management department and may not be resold. Consequently, product returns generally are permitted only in cases of identified defects or other valid reasons. According to Frost & Sullivan, our industry consultant, our product return policy is in line with the industry norm. During the Track Record Period, we only experienced limited product returns, none of which were due to quality issues. Our cumulative amount of actual product return relating to revenue recognized during the Track Record Period accounted for less than 0.5% of our total revenue for the same period. We did not experience any product recalls during the Track Record Period and up to the Latest Practicable Date.

We receive feedback from our distributors and have implemented detailed procedures on how to handle quality complaints. We have dedicated personnel who take complaint calls and regularly review and analyze the feedback and complaints received. With respect to any approved product returns, our dedicated personnel will coordinate with relevant distributors for the subsequent transportation and product inspection. In addition, our sales and marketing team actively follow up on the product-related complaints to ensure that they are addressed appropriately. During the Track Record Period and up to the Latest Practicable Date, we had not received any material customer complaints due to problems associated with the quality of our products.

## BUSINESS

### MANUFACTURING AND QUALITY MANAGEMENT

As of the Latest Practicable Date, we had seven major manufacturing facilities in use, including two located in Shenzhen, two located in Huizhou, one located in Dezhou, one located in Taicang, and one located in Beijing. The following table sets forth a summary of these manufacturing facilities in use:

| Location                                | Major Production        | Site Area<br>(thousand sq.m.) | Gross Floor Area<br>(thousand sq.m.) |
|-----------------------------------------|-------------------------|-------------------------------|--------------------------------------|
| Baoan, Shenzhen, Guangdong . . . . .    | Injections, APIs        | 16.9                          | 15.3                                 |
| Pingshan, Shenzhen, Guangdong . . . . . | Oral solids, injections | 49.9                          | 104.5                                |
| Daya Bay, Huizhou, Guangdong . . . . .  | Oral solids             | 90.6                          | 113.3                                |
| Huizhou, Guangdong . . . . .            | APIs                    | 95.4                          | 13.5                                 |
| Linyi, Dezhou, Shandong . . . . .       | APIs, intermediates     | 237.5                         | 75.2                                 |
| Taicang, Suzhou, Jiangsu . . . . .      | Biologics               | 39.9                          | 27.4                                 |
| Beijing . . . . .                       | Medical device          | 2.2                           | 4.1                                  |

Our production capacity is managed through a rolling medium- to long-term planning process, supported by a robust sales and operations planning coordination mechanism. Due to the mechanical design of our production equipment and the varying regulatory requirements across product types and dosage forms, our production lines are not interchangeable and can only be used to manufacture their designated product types. The following table sets forth our designed production capacity, actual production volume and utilization rate of major production lines for the periods indicated:

|                                                   | Year Ended December 31, |                |                | Six Months Ended June 30, |
|---------------------------------------------------|-------------------------|----------------|----------------|---------------------------|
|                                                   | 2023                    | 2024           | 2025           | 2026                      |
| <b>Designed production capacity<sup>(1)</sup></b> |                         |                |                |                           |
| <i>Oral solids (million tablets)</i> . . . . .    | <b>3,240.0</b>          | <b>3,240.0</b> | <b>3,820.0</b> | <b>1,910.0</b>            |
| Daya Bay Facility . . . . .                       | 2,880.0                 | 2,880.0        | 3,460.0        | 1,730.0                   |
| Pingshan Facility . . . . .                       | 360.0                   | 360.0          | 360.0          | 180.0                     |
| <i>Injections (million vials)</i> . . . . .       | <b>78.8</b>             | <b>78.8</b>    | <b>78.8</b>    | <b>39.4</b>               |
| Pingshan Facility . . . . .                       | 0.7                     | 0.7            | 0.7            | 0.4                       |
| Baoan Facility . . . . .                          | 73.3                    | 73.3           | 73.3           | 36.7                      |
| Taicang Facility . . . . .                        | 4.8                     | 4.8            | 4.8            | 2.4                       |
| <i>Chemical APIs (tons)</i> . . . . .             | <b>1,081.0</b>          | <b>1,081.0</b> | <b>1,081.0</b> | <b>540.5</b>              |
| Huizhou Facility . . . . .                        | 400.0                   | 400.0          | 400.0          | 200.0                     |
| Baoan Facility . . . . .                          | 450.0                   | 450.0          | 450.0          | 225.0                     |
| Linyi Facility . . . . .                          | 231.0                   | 231.0          | 231.0          | 115.5                     |
| <i>Maurora (units)</i> . . . . .                  |                         |                |                |                           |
| Beijing Facility . . . . .                        | 32,000                  | 42,000         | 45,000         | 40,000                    |
| <b>Actual production volume</b>                   |                         |                |                |                           |
| <i>Oral solids (million tablets)</i> . . . . .    | <b>1,553.1</b>          | <b>1,869.7</b> | <b>2,188.5</b> | <b>1,329.2</b>            |
| Daya Bay Facility . . . . .                       | 1,549.5                 | 1,854.7        | 2,142.6        | 1,308.0                   |
| Pingshan Facility . . . . .                       | 3.6                     | 15.0           | 45.9           | 21.2                      |
| <i>Injections (million vials)</i> . . . . .       | <b>72.3</b>             | <b>75.6</b>    | <b>41.3</b>    | <b>16.0</b>               |
| Pingshan Facility . . . . .                       | 0.04                    | 0.06           | 0.02           | 0.04                      |
| Baoan Facility . . . . .                          | 72.1                    | 75.1           | 40.9           | 15.8                      |
| Taicang Facility . . . . .                        | 0.2                     | 0.4            | 0.4            | 0.2                       |
| <i>Chemical APIs (tons)</i> . . . . .             | <b>400.4</b>            | <b>643.4</b>   | <b>532.1</b>   | <b>420.8</b>              |
| Huizhou Facility . . . . .                        | 149.4                   | 251.8          | 332.6          | 273.7                     |
| Baoan Facility . . . . .                          | 250.5                   | 370.1          | 199.2          | 147.0                     |
| Linyi Facility . . . . .                          | 0.5                     | 21.5           | 0.3            | 0.1                       |
| <i>Maurora (units)</i> . . . . .                  |                         |                |                |                           |
| Beijing Facility . . . . .                        | 29,393                  | 38,878         | 36,756         | 30,111                    |
| <b>Utilization rate (%)<sup>(2)</sup></b>         |                         |                |                |                           |
| <i>Oral solids</i> . . . . .                      | <b>47.9</b>             | <b>57.7</b>    | <b>57.3</b>    | <b>69.6</b>               |
| Daya Bay Facility . . . . .                       | 53.8                    | 64.4           | 61.9           | 75.6                      |
| Pingshan Facility . . . . .                       | 1.0                     | 4.2            | 12.8           | 11.8                      |
| <i>Injections<sup>(3)</sup></i> . . . . .         | <b>91.8</b>             | <b>95.9</b>    | <b>52.4</b>    | <b>40.7</b>               |
| Pingshan Facility . . . . .                       | 5.7                     | 8.6            | 2.9            | 11.4                      |
| Baoan Facility <sup>(4)</sup> . . . . .           | 98.4                    | 102.5          | 55.8           | 43.1                      |
| Taicang Facility . . . . .                        | 4.6                     | 7.5            | 7.7            | 8.5                       |
| <i>Chemical APIs</i> . . . . .                    | <b>37.0</b>             | <b>59.5</b>    | <b>49.2</b>    | <b>77.9</b>               |
| Huizhou Facility <sup>(5)</sup> . . . . .         | 37.4                    | 63.0           | 83.2           | 136.9                     |
| Baoan Facility . . . . .                          | 55.7                    | 82.2           | 44.3           | 65.3                      |
| Linyi Facility . . . . .                          | 0.2                     | 9.3            | 0.1            | 0.1                       |
| <i>Maurora<sup>(6)</sup></i> . . . . .            |                         |                |                |                           |
| Beijing Facility . . . . .                        | 91.9                    | 92.6           | 81.7           | 75.3                      |

## BUSINESS

### Notes:

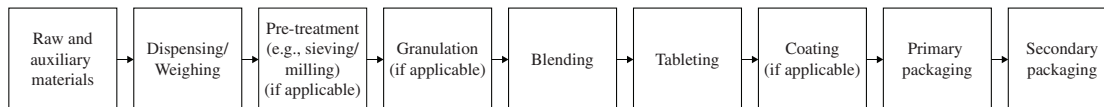
- (1) The designed production capacity for a production line is calculated based on 275 effective production days a year on a three-shift basis (i.e., eight hours for one shift) for oral solids and chemical APIs, and a two-shift basis for injections. The designed production capacity for a production line is calculated based on 250 effective production days a year on a one-shift basis for Maurora.
- (2) Utilization rate equals actual production volume divided by production capacity.
- (3) To contain antimicrobial resistance, many provincial regions in China have established the classification schemes of antibacterial drugs. Certain cephalosporin injections we market, such as cefoxitin, cefonicid, cefotaxime, and ceftazidime, are typically classified into the “restricted group” and therefore subject to tighter controls on prescription and strict scrutiny of use. These antibiotic control measures primarily affect the clinical usage volume of antibiotic products and the procurement structure of medical institutions, instead of regulating the price of antibiotic products. We believe that sustained clinical demand still exists for antibiotic products with clear clinical indications and therapeutic benefits. Accordingly, we strategically reduced our production of certain cephalosporin injections based on our assessment of inventory levels, sales forecasts, and intensified competition in centralized procurement processes. Consequently, the overall utilization rate of our injection production lines decreased in 2025.
- (4) In 2024, we temporarily increased the number of shifts for the injection production line at our Baoan facility to fulfill the increased market demand for XinLiXin.
- (5) In the six months ended June 30, 2026, market demand for clopidogrel bisulfate Form II increased. To fulfill this demand, we temporarily suspended production of ticagrelor, another chemical API, and reallocated our resources to ramp up production of clopidogrel bisulfate Form II. As clopidogrel bisulfate Form II yields a higher actual production output, our utilization rate exceeded 100%.
- (6) In 2025, we scaled back the actual production volume of Maurora to preserve manufacturing capacity for future product updates. In January 2026, we enhanced the production process of Maurora, increasing the designed production capacity of our Maurora production line.

## Manufacturing Process

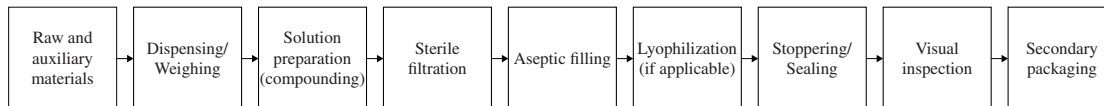
The following flowcharts summarize the typical manufacturing processes for our products. During the Track Record Period, we did not outsource the production of any of our marketed products to external third parties.

### Chemical Drugs

#### Tablets

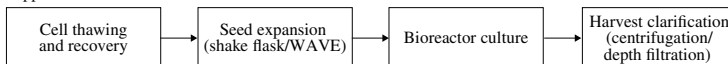


#### Sterile Injectables (vials)

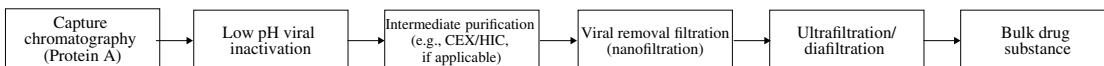


### Biologics (mAbs)

#### Upperstream Process



#### Downstream Process

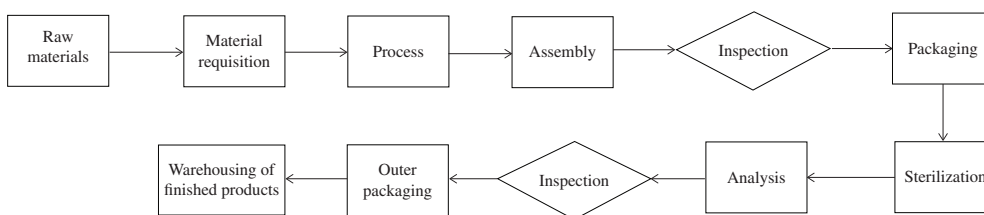


#### Formulation Filling Process



## BUSINESS

### Medical Devices



### Quality Management

We design our quality management system in accordance with applicable GMP standards. We strictly adhere to our quality management system, continuously refine our R&D, production, and inspection processes, and implement stringent quality control for raw materials, in-process products, and finished goods. Our Standard Operating Procedure (“SOP”) documents encompass production, materials, equipment and facilities, inspection, packaging and labeling, and quality assurance. We conduct a regular review of our quality management documents, and timely update the quality standards for each product in accordance with applicable pharmacopoeia revisions.

We implement a three-tier quality management system, maintaining sufficient quality controls at corporate, departmental, and operational levels. Our quality management team is further structured into two key functions, comprising (i) quality assurance professionals who oversee managerial activities, including supplier audits, complaint and return handling, and traceability management; and (ii) quality control professionals who conduct inspection-related tasks, such as finished product testing and raw material testing.

The following sets forth our key quality control procedures, which ensure stability and controllability across production and operations, and deliver consistent, safe, and reliable product quality:



- Material management.** We source raw materials from qualified suppliers. Incoming materials are warehoused only after passing acceptance inspection and stored under specified conditions. During the process, materials released and materials under quarantine are clearly labeled, and rejected materials bear prominent identification and are safely segregated to prevent production use. Only materials tested as compliant and formally released by the quality management department may be issued to our production areas.
- Manufacturing quality.** Our manufacturing process is in full compliance with applicable GMP and ISO standards. We house validated, advanced manufacturing equipment, maintain optimized manufacturing processes, and equip a comprehensive quality testing system that ensures a strict quality control of raw materials, excipients, and finished products.
- Product release.** Our products are manufactured under strict adherence to applicable requirements in China, Europe, and the United States, among others. We implement stringent internal control standards, ensuring that only batches fulfilling these specifications are released for market distribution. We achieved a batch release compliance rate of 100% in each of 2023, 2024, 2025, and the six months ended June 30, 2026.

## BUSINESS

We are certified under stringent GMP compliance frameworks, with GMP certificates issued by regulatory authorities in China, EU member states, Brazil (ANVISA), and Mexico (COFEPRIS), covering both drug manufacturing and API production for global markets.

### Raw Materials

The major raw materials procured for our production primarily include high-grade chemical intermediates, APIs, packaging materials, and excipients. All raw materials for our pharmaceutical production were sourced in Mainland China. During the Track Record Period and up to the Latest Practicable Date, the purchase prices of these raw materials did not experience any material unfavorable fluctuations, and we did not experience any material shortage or delays in the supply of these raw materials.

### Inventory Management

Our inventory consists primarily of raw materials, work in progress, and finished goods. We manage our inventory through a dynamic, forecast-driven approach, using rolling monthly sales forecasts to maintain raw materials and finished goods at commercially reasonable levels.

For finished goods, we align production planning with sales forecasts and any scheduled production downtime and generally maintain a level of safety stock intended to support near-term expected sales, balancing manufacturing efficiency and inventory carrying costs. For raw materials, we apply a risk-based safety stock approach that seeks to balance supply continuity and inventory efficiency: we generally maintain near-term coverage for routine raw materials, and, based on our periodic risk assessments, may hold elevated safety stock or undertake strategic inventory buildup for materials with higher supply chain risk or greater operational importance. We also review our inventory quarterly to identify slow-moving items and implement appropriate measures, including write-offs and disposals, to improve our inventory turnover and reduce cost. The average shelf life for our products is generally between two to three years.

## 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. The following tables set forth details of our five largest customers in each year/period during the Track Record Period:

### Year Ended December 31, 2023

| Rank  | Customer                  | Registered Capital | Type of Sales                       | Payment Type                 | Credit Period | Revenue Contribution<br>(RMB in millions) | As a Percentage of Our Total Revenue<br>(%) |
|-------|---------------------------|--------------------|-------------------------------------|------------------------------|---------------|-------------------------------------------|---------------------------------------------|
| 1     | Customer A <sup>(1)</sup> | RMB3.1 billion     | Generics and innovative drugs       | Bank transfer and bank draft | 0-97 days     | 677.0                                     | 20.1                                        |
| 2     | Customer B <sup>(2)</sup> | RMB3.7 billion     | Generics and innovative drugs       | Bank transfer and bank draft | 0-97 days     | 418.7                                     | 12.4                                        |
| 3     | Customer C <sup>(3)</sup> | RMB19.6 billion    | Generics and innovative drugs       | Bank transfer and bank draft | 0-97 days     | 300.3                                     | 8.9                                         |
| 4     | Customer D <sup>(4)</sup> | RMB557.0 million   | Generics and innovative drugs       | Bank transfer and bank draft | 0-97 days     | 187.4                                     | 5.6                                         |
| 5     | Customer E <sup>(5)</sup> | RMB1.6 billion     | Generics, innovative drugs and APIs | Bank transfer and bank draft | 0-97 days     | 146.1                                     | 4.3                                         |
| Total |                           |                    |                                     |                              |               | <u>1,729.4</u>                            | <u>51.3</u>                                 |

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### Year Ended December 31, 2024

| Rank         | Customer                  | Registered Capital | Type of Sales                       | Payment Type                 | Credit Period | Revenue Contribution<br>(RMB in millions) | As a Percentage of Our Total Revenue<br>(%) |
|--------------|---------------------------|--------------------|-------------------------------------|------------------------------|---------------|-------------------------------------------|---------------------------------------------|
| 1 . .        | Customer A <sup>(1)</sup> | RMB3.1 billion     | Generics and innovative drugs       | Bank transfer and bank draft | 0-97 days     | 710.3                                     | 17.7                                        |
| 2 . .        | Customer B <sup>(2)</sup> | RMB3.7 billion     | Generics and innovative drugs       | Bank transfer and bank draft | 0-97 days     | 499.9                                     | 12.5                                        |
| 3 . .        | Customer C <sup>(3)</sup> | RMB19.6 billion    | Generics and innovative drugs       | Bank transfer and bank draft | 0-97 days     | 335.3                                     | 8.4                                         |
| 4 . .        | Customer D <sup>(4)</sup> | RMB557.0 million   | Generics and innovative drugs       | Bank transfer and bank draft | 0-97 days     | 329.9                                     | 8.2                                         |
| 5 . .        | Customer E <sup>(5)</sup> | RMB1.6 billion     | Generics, innovative drugs and APIs | Bank transfer and bank draft | 0-97 days     | 177.9                                     | 4.4                                         |
| <b>Total</b> |                           |                    |                                     |                              |               | <b>2,053.4</b>                            | <b>51.2</b>                                 |

### Year Ended December 31, 2025

| Rank         | Customer                  | Registered Capital | Type of Sales                       | Payment Type                 | Credit Period | Revenue Contribution<br>(RMB in millions) | As a Percentage of Our Total Revenue<br>(%) |
|--------------|---------------------------|--------------------|-------------------------------------|------------------------------|---------------|-------------------------------------------|---------------------------------------------|
| 1 . .        | Customer B <sup>(2)</sup> | RMB3.7 billion     | Generics and innovative drugs       | Bank transfer and bank draft | 0-97 days     | 772.5                                     | 17.7                                        |
| 2 . .        | Customer A <sup>(1)</sup> | RMB3.1 billion     | Generics and innovative drugs       | Bank transfer and bank draft | 0-97 days     | 754.7                                     | 17.3                                        |
| 3 . .        | Customer C <sup>(3)</sup> | RMB19.6 billion    | Generics and innovative drugs       | Bank transfer and bank draft | 0-97 days     | 367.6                                     | 8.4                                         |
| 4 . .        | Customer D <sup>(4)</sup> | RMB557.0 million   | Generics and innovative drugs       | Bank transfer and bank draft | 0-97 days     | 290.9                                     | 6.7                                         |
| 5 . .        | Customer E <sup>(5)</sup> | RMB1.6 billion     | Generics, innovative drugs and APIs | Bank transfer and bank draft | 0-97 days     | 201.9                                     | 4.6                                         |
| <b>Total</b> |                           |                    |                                     |                              |               | <b>2,387.6</b>                            | <b>54.9</b>                                 |

### Six Months Ended June 30, 2026

| Rank  | Customer                  | Registered Capital | Type of Sales                 | Payment Type                 | Credit Period | Revenue Contribution<br>(RMB in millions) | As a Percentage of Our Total Revenue<br>% |
|-------|---------------------------|--------------------|-------------------------------|------------------------------|---------------|-------------------------------------------|-------------------------------------------|
| 1 . . | Customer A <sup>(1)</sup> | RMB3.1 billion     | Generics and innovative drugs | Bank transfer and bank draft | 0-97 days     | 467.9                                     | 18.9                                      |
| 2 . . | Customer B <sup>(2)</sup> | RMB3.7 billion     | Generics and innovative drugs | Bank transfer and bank draft | 0-97 days     | 427.4                                     | 17.2                                      |
| 3 . . | Customer C <sup>(3)</sup> | RMB19.6 billion    | Generics and innovative drugs | Bank transfer and bank draft | 0-97 days     | 229.4                                     | 9.3                                       |
| 4 . . | Customer D <sup>(4)</sup> | RMB557.0 million   | Generics and innovative drugs | Bank transfer and bank draft | 0-97 days     | 127.9                                     | 5.2                                       |

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| Rank         | Customer                  | Registered Capital | Type of Sales                                  | Payment Type                 | Credit Period | Revenue Contribution | As a Percentage of Our Total Revenue |
|--------------|---------------------------|--------------------|------------------------------------------------|------------------------------|---------------|----------------------|--------------------------------------|
|              |                           |                    |                                                |                              |               | (RMB in millions)    | %                                    |
| 5            | Customer F <sup>(6)</sup> | RMB5.0 billion     | Generics, innovative drugs and medical devices | Bank transfer and bank draft | 60-67 days    | 124.4                | 5.0                                  |
| <b>Total</b> |                           |                    |                                                |                              |               | <b>1,376.9</b>       | <b>55.5</b>                          |

### Notes:

- (1) Customer A is a China-based public company that is listed on the Hong Kong Stock Exchange. Customer A is primarily engaged in the distribution, logistics and other value-added services for pharmaceutical and healthcare manufacturers and suppliers. We commenced business relationship with Customer A in 2004.
- (2) Customer B is a China-based public company that is listed on both the Shanghai Stock Exchange and the Hong Kong Stock Exchange. Customer B is primarily engaged in the R&D, manufacturing and sale of APIs, pharmaceutical preparations in various dosage forms, health products, medical devices, and related products. We commenced business relationship with Customer B in 2004.
- (3) Customer C is a China-based private company. Customer C is primarily engaged in the marketing, logistics and distribution of pharmaceuticals, as well as pharmaceutical supply chain solution services. We commenced business relationship with Customer C in 2009.
- (4) Customer D is a China-based private company. Customer D is primarily engaged in the wholesale of pharmaceuticals, distribution of medical devices, sales of traditional Chinese medicine decoction pieces, and operations in retail chains and pharmaceutical e-commerce. We commenced business relationship with Customer D in 2004.
- (5) Customer E is a China-based public company that is listed on both the Shanghai Stock Exchange and the Hong Kong Stock Exchange. Customer E is primarily engaged in the R&D and sales of Chinese and Western medicines, chemical APIs, and biopharmaceuticals, as well as the wholesale and retail of pharmaceuticals and medical devices. We commenced business relationship with Customer E in 2004.
- (6) Customer F is a China-based public company that is listed on the Shanghai Stock Exchange. Customer F is primarily engaged in pharmaceutical distribution and supply chain services, in-house pharmaceutical manufacturing and OEM services, pharmaceutical retail and franchising services, and healthcare and technology value-added services. We commenced business relationship with Customer F in 2011.

To the best of our knowledge, none of our Directors, their associates, or any of our shareholders (who owned or to the knowledge of our Directors had owned more than five percent of our issued share capital) had any interest in any of our five largest customers in each year/period during the Track Record Period.

## 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. The following tables set forth details of our five largest suppliers in each year/period during the Track Record Period:

### Year Ended December 31, 2023

| Rank | Supplier                  | Registered Capital | Type of Purchases              | Payment Type                 | Credit Period                           | Purchase Amount   | As a Percentage of Our Total Purchases |
|------|---------------------------|--------------------|--------------------------------|------------------------------|-----------------------------------------|-------------------|----------------------------------------|
|      |                           |                    |                                |                              |                                         | (RMB in millions) | (%)                                    |
| 1    | Supplier A <sup>(1)</sup> | JPY100 billion     | Development milestone payments | Bank transfer and bank draft | 60 days                                 | 143.4             | 7.5                                    |
| 2    | Supplier B <sup>(2)</sup> | RMB3 million       | Raw materials                  | Bank transfer and bank draft | Prepayment                              | 39.9              | 2.1                                    |
| 3    | Supplier C <sup>(3)</sup> | RMB300 million     | Raw materials                  | Bank transfer and bank draft | 60 days after the products are received | 35.5              | 1.9                                    |

## BUSINESS

| Rank         | Supplier                  | Registered Capital | Type of Purchases  | Payment Type                 | Credit Period                                 | Purchase Amount<br>(RMB in millions) | As a Percentage of Our Total Purchases<br>(%) |
|--------------|---------------------------|--------------------|--------------------|------------------------------|-----------------------------------------------|--------------------------------------|-----------------------------------------------|
| 4 . .        | Supplier D <sup>(4)</sup> | RMB10 million      | Marketing services | Bank transfer and bank draft | Payment upon fulfillment of contractual terms | 33.6                                 | 1.8                                           |
| 5 . .        | Supplier E <sup>(5)</sup> | RMB5 million       | Marketing services | Bank transfer and bank draft | Payment upon fulfillment of contractual terms | 30.4                                 | 1.6                                           |
| <b>Total</b> |                           |                    |                    |                              |                                               | <b>282.8</b>                         | <b>14.7</b>                                   |

### Year Ended December 31, 2024

| Rank         | Supplier                  | Registered Capital | Type of Purchases           | Payment Type                 | Credit Period                                 | Purchase Amount<br>(RMB in millions) | As a Percentage of Our Total Purchases<br>(%) |
|--------------|---------------------------|--------------------|-----------------------------|------------------------------|-----------------------------------------------|--------------------------------------|-----------------------------------------------|
| 1 . .        | Supplier F <sup>(6)</sup> | N/A                | Clinical trial services     | Bank transfer and bank draft | 30 days from the invoice or statement date    | 85.4                                 | 4.1                                           |
| 2 . .        | Supplier C <sup>(3)</sup> | RMB300 million     | Raw materials               | Bank transfer and bank draft | 60 days after the products are received       | 83.5                                 | 4.0                                           |
| 3 . .        | Supplier G <sup>(7)</sup> | N/A                | Clinical trial services     | Bank transfer and bank draft | 30 days from the invoice date                 | 43.2                                 | 2.1                                           |
| 4 . .        | Supplier E <sup>(5)</sup> | RMB5 million       | Marketing services          | Bank transfer and bank draft | Payment upon fulfillment of contractual terms | 35.0                                 | 1.7                                           |
| 5 . .        | Supplier H <sup>(8)</sup> | N/A                | Finished metformin products | Bank transfer and bank draft | After the products are received               | 32.7                                 | 1.6                                           |
| <b>Total</b> |                           |                    |                             |                              |                                               | <b>279.7</b>                         | <b>13.5</b>                                   |

### Year Ended December 31, 2025

| Rank  | Supplier                   | Registered Capital | Type of Purchases                                                       | Payment Type                 | Credit Period                              | Purchase Amount<br>(RMB in millions) | As a Percentage of Our Total Purchases<br>(%) |
|-------|----------------------------|--------------------|-------------------------------------------------------------------------|------------------------------|--------------------------------------------|--------------------------------------|-----------------------------------------------|
| 1 . . | Supplier F <sup>(6)</sup>  | N/A                | Clinical trial services                                                 | Bank transfer and bank draft | 30 days from the invoice or statement date | 128.3                                | 6.7                                           |
| 2 . . | Supplier I <sup>(9)</sup>  | RMB30.0 million    | Technical services                                                      | Bank transfer and bank draft | 20 business days from the invoice date     | 56.6                                 | 3.0                                           |
| 3 . . | Supplier J <sup>(10)</sup> | RMB404.4 million   | ADC manufacturing services (including the procurement of raw materials) | Bank transfer and bank draft | 30 days from the invoice date              | 44.2                                 | 2.3                                           |
| 4 . . | Supplier K <sup>(11)</sup> | N/A                | Clinical trial services                                                 | Bank transfer and bank draft | 30 days from the invoice or statement date | 40.0                                 | 2.1                                           |

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| Rank         | Supplier                  | Registered Capital | Type of Purchases | Payment Type                 | Credit Period                 | Purchase Amount<br>(RMB in millions) | As a Percentage of Our Total Purchases<br>(%) |
|--------------|---------------------------|--------------------|-------------------|------------------------------|-------------------------------|--------------------------------------|-----------------------------------------------|
| 5            | Supplier C <sup>(3)</sup> | RMB300 million     | Raw materials     | Bank transfer and bank draft | 30 days from the invoice date | 35.7                                 | 1.9                                           |
| <b>Total</b> |                           |                    |                   |                              |                               | <b>304.9</b>                         | <b>16.0</b>                                   |

### Six Months Ended June 30, 2026

| Rank         | Supplier                   | Registered Capital | Type of purchases              | Payment Type                 | Credit Period                                                                                                   | Purchase Amount<br>(RMB in millions) | As a Percentage of Our Total Purchases<br>% |
|--------------|----------------------------|--------------------|--------------------------------|------------------------------|-----------------------------------------------------------------------------------------------------------------|--------------------------------------|---------------------------------------------|
| 1            | Supplier F <sup>(6)</sup>  | N/A                | Clinical trial services        | Bank transfer and bank draft | 30 days from the invoice or statement date                                                                      | 42.7                                 | 2.9                                         |
| 2            | Supplier H <sup>(8)</sup>  | N/A                | Finished metformin products    | Bank transfer and bank draft | 7 days after the products are received                                                                          | 37.8                                 | 2.5                                         |
| 3            | Supplier L <sup>(12)</sup> | RMB1.0 billion     | Equipment engineering services | Bank transfer and bank draft | Payment upon fulfillment of payment conditions based on project progress and progress payment application forms | 29.2                                 | 2.0                                         |
| 4            | Supplier K <sup>(11)</sup> | N/A                | Clinical trial services        | Bank transfer and bank draft | 30 days from the invoice or statement date                                                                      | 26.7                                 | 1.8                                         |
| 5            | Supplier M <sup>(13)</sup> | N/A                | Marketing services             | Bank transfer and bank draft | Payment upon fulfillment of contractual terms                                                                   | 25.3                                 | 1.7                                         |
| <b>Total</b> |                            |                    |                                |                              |                                                                                                                 | <b>161.7</b>                         | <b>10.9</b>                                 |

#### Notes:

- Supplier A is a Japan-based public company that is listed on the Tokyo Stock Exchange. Supplier A is primarily engaged in the cultivation, procurement, processing and production of tobacco and related materials, as well as operations in the pharmaceutical, food, agriculture, real estate and engineering technology sectors. We entered into a collaboration and licensing agreement with Supplier A, and the purchase amount represents the development milestone payments pursuant to such agreement. We commenced business relationship with Supplier A in 2019.
- Supplier B is a China-based private company. Supplier B is primarily engaged in the wholesale, retail and contract manufacturing of pharmaceuticals. We commenced business relationship with Supplier B in 2018.
- Supplier C is a China-based private company. Supplier C is primarily engaged in the production and sales of ivermectin and intermediate B1a (ivermectin), B2a, spinosad, 7-aminoccephalosporanic acid, AE-active ester and organic fertilizers. We commenced business relationship with Supplier C in 2023.
- Supplier D is a China-based private company. Supplier D is primarily engaged in the provision of remote health management, health and information consulting, conference and exhibition, marketing planning, and online pharmaceutical information services. We commenced business relationship with Supplier D in 2022.
- Supplier E is a China-based private company. Supplier E is primarily engaged in the provision of market consulting, planning and research, as well as conference and exhibition services. We commenced business relationship with Supplier E in 2023.

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- (6) Supplier F is a U.S.-based public company listed on the Nasdaq Stock Exchange. Supplier F is a CRO primarily engaged in the provision of Phase I-IV clinical development services to the biotechnology, pharmaceutical and medical device industries. We commenced business relationship with Supplier F in 2023.
- (7) Supplier G is a France-based private company. Supplier G is a CRO primarily engaged in the provision of innovative solutions to pharmaceutical and biotechnology companies, from preclinical to patient phase studies, including Phase I, biometrics, bioanalytical, and core lab services. We commenced business relationship with Supplier G in 2022.
- (8) Supplier H is a Hong Kong-based private company. Supplier H is primarily engaged in the diaformin (metformin hydrochloride tablets) business. We commenced business relationship with Supplier H in 2017.
- (9) Supplier I is a China-based private company. Supplier I is primarily engaged in the R&D of pharmaceuticals, as well as APIs, chemical formulations and health food business. We commenced business relationship with Supplier I in 2025.
- (10) Supplier J is a China-based private company. Supplier J is a CDMO service provider primarily engaged in the provision of production services for antibodies, linker-toxins and ADCs. We commenced business relationship with Supplier J in 2022.
- (11) Supplier K is a U.S.-based public company listed on the Nasdaq Stock Exchange. Supplier K is a CDMO service provider primarily engaged in the provision of services process from development to current Good Manufacturing Practices for both clinical and commercial manufacturing. We commenced business relationship with Supplier K in 2025.
- (12) Supplier L is a China-based private company. Supplier L is primarily engaged in the provision of engineering services to high-tech industries, including biopharmaceuticals. We commenced business relationship with Supplier L in 2010.
- (13) Supplier M is a Cayman Islands-based public company listed on the Hong Kong Stock Exchange. Supplier M is primarily engaged in the provision of health and pharmaceutical, information technology, and digital marketing services. We commenced business relationship with Supplier M in 2023.

To the best of our knowledge, none of our Directors, their associates or any of our shareholders (who owned or to the knowledge of our Directors had owned more than five percent of our issued share capital) had any interest in any of our five largest suppliers in each year/period during the Track Record Period. To the best of our knowledge, none of our major customers and suppliers overlapped during the Track Record Period.

## LAND AND PROPERTIES

### Owned Properties

Our corporate headquarters are located in a self-owned premise in Shenzhen, Guangdong Province, covering a GFA of approximately 1,477.0 sq.m. As of June 30, 2026, we owned 63 properties in China that are currently used for our production and business operations, with an aggregate site area of approximately 238,260.0 sq.m.

### Leased Properties

As of June 30, 2026, we leased nine properties in China. Together, these leased facilities cover approximately 7,836.2 sq.m. They are primarily used as our R&D or production facilities, warehouses or office premises. We lease all these premises under operating lease agreements with Independent Third Parties. We typically enter into leasing agreements that are renewable. We do not anticipate difficulty in renewing existing leases as they expire or in finding alternative facilities.

### Property Interests

We do not engage in any property activities as defined in Rule 5.01 of the Listing Rules. Our property interests comprise buildings, leasehold improvements, fittings and fixtures, and right-of-use assets. As of June 30, 2026, no single property interest of our Group had a carrying amount of 15% or more of our total assets. Furthermore, each of our properties that generates rental income had a carrying amount below 1% of our total assets as of June 30, 2026. Accordingly, we are not required by Chapter 5 of the Listing Rules to value or include in this document any valuation report of our property interests, and, pursuant to section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

## BUSINESS

### PEOPLE AND CULTURE

Our corporate culture is centered around “open innovation, high standards, dedicated efficiency, and full commitment.” We strategically invest in top-tier talent and value our people as essential, long-term assets. As of June 30, 2026, we had a total of 4,395 full-time employees, including 4,366 in China and 29 in the United States. The following table sets forth a breakdown of our full-time employees by function as of the same date:

| Function                         | As of June 30, 2026 |                      |
|----------------------------------|---------------------|----------------------|
|                                  | Number of Employees | % of Total Employees |
| R&D . . . . .                    | 871                 | 19.8                 |
| Sales and marketing . . . . .    | 1,853               | 42.2                 |
| Manufacturing . . . . .          | 1,259               | 28.6                 |
| General administration . . . . . | 412                 | 9.4                  |
| <b>Total . . . . .</b>           | <b>4,395</b>        | <b>100.0</b>         |

Our ability to attract, retain and motivate qualified employees is crucial for our success. The remuneration package of our employees generally includes base salary and performance bonus. In general, we determine the remuneration package based on the qualifications, position and performance of our employees. We also make contributions to the social insurance fund, including basic pension insurance, medical insurance, unemployment insurance, maternity insurance, work-related injury insurance funds, and housing provident fund. Furthermore, we maintain a well-structured training system to enhance workforce capabilities at all levels. Our training programs are tailored for senior/middle/frontline managers, general staff, new hires, and technical professionals to ensure role-specific competency.

As of the Latest Practicable Date, our employees were represented by a labor union. We believe we maintain a good working relationship with our employees. We had not experienced any strikes or any material labor disputes with our employees during the Track Record Period and up to the Latest Practicable Date.

### Social Insurance and Housing Provident Fund

We are required under relevant PRC laws and regulations to pay the social insurance and housing provident fund contributions for our employees. During the Track Record Period and up to the Latest Practicable Date, our Company and certain of our PRC subsidiaries did not make full social insurance and housing provident fund contributions for certain employees based on their actual wages. The shortfall in social insurance and housing provident fund contributions amounted to RMB26.7 million, RMB30.1 million, RMB34.6 million, and RMB18.0 million in 2023, 2024, 2025, and the six months ended June 30, 2026, respectively. Such shortfalls were primarily due to certain employees being unwilling to contribute their portion of the payments, which would otherwise reduce their take-home pay. For details of potential penalties, see “Regulatory Overview—PRC Laws and Regulations—Other Laws and Regulations in the PRC—Social Insurance and Housing Provident Funds.”

Under relevant PRC laws and regulations, (i) failure to make social insurance contributions within the statutory time limit may subject us to late payment surcharges at a rate of 0.05% per day and, if not remedied within the prescribed period, fines of one to three times the amount in arrears; and (ii) in respect of shortfalls in housing provident fund contributions, the competent authorities may order us to make up such contributions within a specified period, and may apply to a court for enforcement if we fail to comply.

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## BUSINESS

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Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, (i) we had not received any notice from the competent government authority requiring payment of shortfalls or overdue charges, or imposing a fine or other major administrative penalties in connection with such non-compliance incidents; and (ii) we were not aware of any material employee complaints filed against us or any material labor disputes with us concerning social insurance or housing provident funds. In addition, according to the Circular on Issuing the Comprehensive Plan for Reducing the Social Insurance Contribution Rates (《關於印發<降低社會保險費率綜合方案>的通知》) issued on April 1, 2019, administrative authorities discourage the centralized collection of historical social insurance arrears from enterprises.

On the premise that there are no material changes to the prevailing laws, regulations and the implementation or supervisory requirements of the competent authorities, and that there are no material employee complaints, litigation or arbitration proceedings, our PRC Legal Advisor is of the view that the risk of us being subject to any material administrative penalty or centralized collection in respect of the above mentioned failure to make full contributions to social insurance and housing provident fund is remote.

The Interpretation II of the Supreme People’s Courts on Several Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) came into effect on September 1, 2025 (the “**Labor Dispute Interpretation**”). Pursuant to the Labor Dispute Interpretation, any agreement between an employer and an employee, or any commitment made by an employee to the employer, stating that social insurance premiums need not be paid, shall be deemed invalid by the courts in China. If an employer fails to pay social insurance premiums as required by law, and the employee subsequently requests to terminate the labor contract and claims economic compensation under the Labor Contract Law, the courts in China shall support such claims in accordance with the law. If the employer subsequently pays the social insurance premiums in accordance with the law and requests the employee to return any compensation already paid to the employee in lieu of such premiums, the courts in China shall also support such request in accordance with the law. In our labor practice, we have not entered into any agreement with our employees in which they have agreed to waive their social insurance contributions, nor have our employees voluntarily committed to doing so. Our employees have the legal right to terminate their labor contracts and claim economic compensation under the Labor Contract Law, which has been effective since 2012. Furthermore, we have been advised by our PRC Legal Advisor that the Labor Dispute Interpretation does not expand penalty exposure or repeal any relevant labor laws and regulations currently in effect. Based on the foregoing, our Directors believe that the Labor Dispute Interpretation would not have a material adverse impact on our business operations and financial position.

## INSURANCE

We maintain property insurance covering physical damage to, or loss of, our facilities, equipment, office furniture and inventory, and clinical trial insurance covering us against liabilities in the event of injury to any trial subjects caused by serious adverse events in our clinical trials. We are not required under PRC laws and regulations to, and we generally do not, purchase employer’s liability insurance. In line with general market practice, we also do not maintain any key person insurance, business interruption insurance or insurance policies covering damage to our IT infrastructure.

During the Track Record Period and up to the Latest Practicable Date, we did not submit any material insurance claims, nor did we experience any material difficulties in renewing our insurance policies. Our Directors believe that our insurance coverage is adequate and in line with industry norms. However, the risks related to our business and operations may not be fully covered by insurance. For details, please see “Risk Factors—Risks Related to Our Business and Industry—Our insurance coverage is limited. If we experience uninsured losses, it could adversely affect our financial condition and results of operations.”

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## BUSINESS

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### DATA PRIVACY AND PROTECTION

#### Data Collection, Storage and Usage

We collect, store and process research and development data (including clinical trial data), production process and quality control data, supply chain and sales data, and data related to product registration, approval and regulatory compliance. We collect and use data only as permitted by law and as necessary for our clinical studies and ordinary business activities. In addition, we engage only with reputable vendors and research institutions to ensure our regulatory compliance.

- *Data Governance.* We strictly comply with laws and regulations such as the Data Security Law of the PRC, the Personal Information Protection Law of the PRC, and the Good Clinical Practice. We have established stringent internal policies relating to data security and privacy protection, which stipulate a complete set of management systems and operating procedures covering the full data lifecycle. We implement systematic safeguards ranging from data classification and grading, access control, encrypted transmission and storage, to emergency response.
- *Data Storage.* Data accessible by our operating entities in China and the United States are stored separately. Clinical data collected by our operating entities in China are stored within the territory of China using a combination of in-house infrastructure and cloud services provided by reliable and reputable suppliers. In the United States, clinical data collected by Salubris Bio, our U.S. subsidiary, are stored in the cloud hosted by Microsoft, which allows Salubris Bio to localize these data in the United States.
- *Data Retention.* We specify storage periods and keep records for data across different stages and application levels. For critical data types such as clinical data and patient information, we define differentiated retention periods and secure destruction procedures to ensure that data are stored and used in compliance with regulations only for the necessary duration.
- *Consent Policy.* We have established strict consent procedures for the processing of personal information. In particular, for clinical trial subjects, we disclose details on the processing of their personal information, including the types of data, processing methods, purposes of data processing, storage practices, and confidentiality measures. Personal information is collected based on the explicit written consent of clinical trial subjects obtained through informed consent forms, which are signed before trial commencement.
- *Access Control.* In China, we deploy identity authentication and access control technologies, implement role-based authorization management and operation logging, and require all data access to go through designated ports. All access rights are approved through the office automation workflow and managed uniformly based on a registered rights list. The Microsoft platform used by our U.S. subsidiary also provides enterprise-grade security features such as encryption, role-based access controls, and audit logging to help safeguard patient health information and support compliance with applicable regulatory standards in the United States.
- *Prevention of Improper Use or Disclosure.* Our employees are not allowed to directly access or operate raw data, and may only view authorized data through application terminals. During research and clinical development stages, we adhere to the principles of anonymization and de-identification, employing technical measures such as subject identification codes to protect participant privacy. Personal information is collected based on the explicit written consent of subjects obtained through informed consent forms, which are signed before trial commencement. We collect and use data only as permitted by law and as necessary for our clinical studies.

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## BUSINESS

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To enforce the above measures, we have designated a working group responsible for implementing network security and data protection requirements. We also conduct systematic data compliance and security training programs to enhance employees’ awareness of data security and regulatory compliance.

### Cross-border Data Transfer

During the Track Record Period and up to the Latest Practicable Date, China-based entities within our Group did not transfer or store abroad any data collected and generated in the course of their operations in China. Overseas institutions, organizations or individuals are also not allowed to access data stored in China.

During the same period, our U.S. subsidiary, transferred summarized clinical trial data and patient-level data sets to China-based entities within our Group. These activities were conducted to support regulatory filings in China and ongoing joint clinical studies between the U.S. and Chinese entities of our Group. Outbound transfers of these data from the United States to China were completed via Microsoft SharePoint to ensure data integrity and security. In January 2025, the National Security Division of the U.S. Department of Justice issued a final rule, “Preventing Access to U.S. Sensitive Personal Data and Government-Related Data by Countries of Concern or Covered Persons” (28 C.F.R. Part 202) (the “**NSD Final Rule**”). The NSD Final Rule restricts U.S. persons from engaging in certain transactions that provide “countries of concern,” which include China (including Hong Kong and Macau) or covered persons access to “bulk sensitive personal data” or U.S. government-related data. “Bulk U.S. sensitive personal data” are defined as six categories of U.S. personal data meeting specified volume thresholds, including personal identifiers, personal financial data, personal health data, precise geolocation data, biometric identifiers, and human genomic data. During the Track Record Period and up to the Latest Practicable Date, the outbound transfer of patient-level data sets from the United States to China only involved personal health data of fewer than 300 U.S. persons—far below the 10,000 U.S. persons threshold for bulk U.S. sensitive personal health data under the NSD Final Rule.

Based on the above, our PRC Legal Advisor and the legal advisor to Salubris Bio are of the view that we had complied with the applicable laws and regulations in relation to cross-border data transfer between Chinese Mainland and the United States.

### Regulatory Compliance

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material data leakage nor been involved in any litigation, arbitration, or administrative proceedings related to personal information protection. Also, on the basis of the above views of our PRC Legal Advisor and the legal advisor to Salubris Bio, our Directors are of the view that we had complied with all applicable laws and regulations on data privacy and security in all material respects. Our Directors believe that our internal measures on data privacy and protection are effective in all material respects. Based on the due diligence work conducted by the Joint Sponsors, nothing has come to the Joint Sponsors’ attention that would reasonably cause them to doubt the Directors’ view that the internal measures of the Company on data privacy and protection are effective in all material respects.

### Cybersecurity Review

With respect to the application of the Cybersecurity Review Measures, (i) as of the Latest Practicable Date, we had not been notified by any competent governmental authorities as a critical information infrastructure operator; (ii) as of the Latest Practicable Date, we had not received any notice that we are required to conduct a cybersecurity review or that our data processing activity affects or may affect national security; and (iii) the interpretation of activities that “affect or may affect national security” under the current PRC laws and regulations requires further clarification from the competent authorities. Therefore, as advised by our PRC Legal Advisor, we are not obliged to apply for a cybersecurity review pursuant to the Measures for Cybersecurity Review with respect to our proposed listing.

## BUSINESS

### AWARDS AND RECOGNITIONS

We have undertaken over 20 national-level science and technology projects, more than 70 provincial and municipal science and technology projects, and received over 60 national, provincial, and municipal science and technology awards and honors. The following table highlights notable awards and recognitions that we had received as of the Latest Practicable Date:

| Year           | Awards and Recognitions                                                                              | Product/Technology                                                                                         | Awarding Organization                                                                                                             |
|----------------|------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| 2025 . . . . . | National Science and Technology Major Project (國家科技重大專項)                                             | Research on Standardized Evaluation and Quality Improvement of Endovascular Treatment for Ischaemic Stroke | National Health Commission Medical and Health Science and Technology Development Research Center                                  |
| 2025 . . . . . | 2025 China Pharmaceutical Industry TOP101 (2025中國製藥工業TOP101)                                         | N/A                                                                                                        | 7th CMC-CHINA China Pharmaceutical Industry Expo: 2025 China Pharmaceutical Industry TOP101 and Top 10 Core Industrial Chain List |
| 2025 . . . . . | “Specialized, Refined, Distinctive and Innovative” Little Giant Enterprise (專精特新“小巨人”企業)             | N/A                                                                                                        | Ministry of Industry and Information Technology                                                                                   |
| 2024 . . . . . | Beijing Intellectual Property Pilot Enterprise (北京市知識產權試點單位)                                         | N/A                                                                                                        | Beijing Intellectual Property Office                                                                                              |
| 2015, 2019 . . | China Patent Gold Award (中國專利金獎)                                                                     | TaiJia                                                                                                     | China National Intellectual Property Administration                                                                               |
| 2019 . . . . . | National Science and Technology Major Project for “Major New Drug R&D and Creation” (“重大新藥創製”科技重大專項) | Research and Development of S086, a novel ARNi for Treatment of Heart Failure                              | Medical and Health Science and Technology Development Research Center, National Health and Family Planning Commission             |
| 2018 . . . . . | China Patent Gold Award (中國專利金獎)                                                                     | XinLiTan                                                                                                   | China National Intellectual Property Administration                                                                               |
| 2012 . . . . . | National Recognized Enterprise Technology Center (國家認定企業技術中心)                                        | N/A                                                                                                        | National Development and Reform Commission                                                                                        |

### COMPETITION

The pharmaceutical industry in China is highly competitive, characterized by rapidly advancing technologies, intense competition, and a strong emphasis on proprietary and novel products and product candidates. 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. These product candidates, if approved and marketed, will need to demonstrate a differentiated efficacy and/or safety profile compared with established therapies for the relevant indications.

## BUSINESS

### LEGAL AND COMPLIANCE

#### Licenses, Permits and Certificates

During the Track Record Period and up to the Latest Practicable Date, we had obtained all material licenses, permits, approvals, and certificates required for our operations and all of these material licenses, permits, and approvals were valid and remained in effect. The following table sets forth a summary of the major licenses, permits, approvals, and certificates for our business operations as of the Latest Practicable Date (apart from those pertaining to general business requirements):

| License/Permit/Certificate                                                                      | Products (Scope)                            | Holder                               | Issuing Authority                                           | Expiry Date           |
|-------------------------------------------------------------------------------------------------|---------------------------------------------|--------------------------------------|-------------------------------------------------------------|-----------------------|
| Drug Production License<br>(藥品生產許可證) . . . .                                                    | Tablets, hard capsules,<br>APIs, injections | The Company                          | Guangdong<br>Provincial Drug<br>Administration              | June 14, 2030         |
| Drug Production License<br>(藥品生產許可證) . . . .                                                    | APIs                                        | Huizhou Salubris                     | Guangdong<br>Provincial Drug<br>Administration              | May 25, 2030          |
| Drug Production License<br>(藥品生產許可證) . . . .                                                    | Tablets, APIs                               | Shandong Salubris                    | Shandong Provincial<br>Drug<br>Administration               | September 15,<br>2030 |
| Drug Production License<br>(藥品生產許可證) . . . .                                                    | Biologics                                   | Suzhou Salubris                      | Jiangsu Provincial<br>Drug<br>Administration                | September 19,<br>2030 |
| Class II Medical Device<br>Business Recordation<br>Certificate<br>(第二類醫療器械經營備<br>案憑證) . . . . . | Class II medical device                     | Suzhou Salubris                      | Suzhou Municipal<br>Market<br>Supervision<br>Administration | Not Applicable        |
| Medical Device<br>Production License (醫<br>療器械生產許可證) . . .                                      | Class III medical device                    | Salubris Medical<br>Devices          | Guangdong<br>Provincial Drug<br>Administration              | August 21, 2029       |
| Medical Device<br>Production License (醫<br>療器械生產許可證) . . .                                      | Class III medical device                    | Beijing Salubris<br>Medtech Co. Ltd. | Beijing Municipal<br>Drug<br>Administration                 | September 27,<br>2030 |

We monitor the validity status of, and make timely applications for the renewal of, relevant licenses, permits, approvals, and certificates prior to the expiry date. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material difficulty in obtaining or renewing the required licenses, permits, approvals, and certificates for our business operations. We do not expect there to be any material legal impediment in renewing these licenses, permits, approvals, and certificates as they expire in future as long as we are in compliance with applicable laws, regulations, and rules.

#### Legal Proceedings

We have been, and may from time to time be, subject to litigation, arbitration or other legal proceedings, investigations and claims arising in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, we had not been a party to any legal, arbitral, or administrative proceedings, nor were we aware of any pending or threatened legal, arbitral, or administrative proceedings against us or our Directors, that could, individually or in the aggregate, have a material adverse effect on our business, financial condition or results of operations.

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### Compliance

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any non-compliance incidents that could, individually or in the aggregate, have a material adverse effect on our business, financial condition, and results of operations.

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)

We believe that environmental protection, social responsibility, and corporate governance are essential to our sustainable development. By integrating ESG principles into our strategic blueprint and daily operations, we are enhancing governance capabilities, advancing green innovation, and strengthening our social contributions. Our goal is to establish a sustainable development model that creates shared value.

#### ESG Governance

Our Board leads and makes decisions on ESG matters, and is responsible for reviewing and approving our ESG strategies, short-, medium-, and long-term goals, and management systems. Department and subsidiary heads are responsible for implementing ESG plans and ensuring cross-functional coordination, while employees integrate ESG goals into their daily work. Senior management reports to the Board on a semi-annual basis regarding environmental management, fulfillment of social responsibilities, employee occupational health, and other operational risk matters. In addition, the Chairman attends the annual Safety Committee meeting to monitor the implementation of ESG initiatives, and the Audit Committee provides independent oversight to ensure compliant and effective operations.

Our Board provides overarching guidance in identifying material ESG issues, reviews their significance, and bears ultimate responsibility for oversight and decision-making. We maintain ongoing communication with internal and external stakeholders through interviews and external market analyses. Material ESG issues are identified by taking into account stakeholders’ key concerns, regulatory requirements, and the potential impact of such issues on our sustainable operations. Looking ahead, we will continue to refine our materiality assessment mechanism, enhance our ESG issue inventory, and implement systematic prioritization and dynamic management of ESG issues.

We have established a closed-loop management mechanism encompassing preventive measures, ongoing monitoring, post-incident response, and continuous improvement, including response pathways and handling procedures for risks at all levels. We have also implemented risk prevention and control measures in daily operations to further enhance our resilience to ESG-related risks.

To ensure compliance with ESG-related laws and regulations, we subscribe to a third-party regulatory database, which provides monthly updates on newly effective and applicable regulations. These updates are reviewed during monthly meetings, during which we conduct gap analyses on key requirements. In addition, we perform an annual internal compliance self-assessment. During the Track Record Period and up to the Latest Practicable Date, we had complied with all applicable laws and regulations in our jurisdictions of operation, and our Directors are not aware of any material non-compliance.

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### Environmental Management

We adhere to the environmental policy of “achieving sustainable development in harmony with the environment,” aiming for “zero environmental pollution incidents.” Our environmental compliance costs primarily consist of: (i) expenditures for the disposal of operational waste, and (ii) capital and maintenance expenditures for upgrading environmental protection equipment. In 2023, 2024, 2025, and the six months ended June 30, 2026, we incurred environmental compliance costs of RMB34 million, RMB26 million, RMB29 million, and RMB20 million, respectively.

### Waste Management

Our emissions primarily arise from the production of APIs and biopharmaceuticals. To mitigate the environmental impact, we continuously optimize our emissions management. We obtain required pollutant discharge permits and adhere to applicable discharge limits. Our facilities are equipped with comprehensive treatment systems for wastewater and waste gas, designed to meet national standards. We have formulated a self-monitoring plan and conduct regular monitoring of pollutant discharges and have qualified third-party service providers perform routine testing. All monitoring results are publicly disclosed as required and are subject to public oversight.

- *Wastewater.* We design our water supply and drainage systems to segregate clean and contaminated water, separate rainwater and wastewater, and recycle water, ensuring standardized collection and compliant discharge of wastewater. We also apply appropriate pretreatment before centralized discharge to licensed treatment plants. For example, our subsidiary in Suzhou employs on-site high-temperature thermal sterilization before releasing wastewater to local treatment plants.
- *Waste Gas.* We continuously optimize our air pollution control facilities to strengthen waste gas management. Process emissions are collected and treated in a classified manner to ensure compliant discharge. With respect to fugitive emissions, we improve equipment sealing, implement routine leak detection and repair (LDAR) programs, and conduct annual third-party airtightness inspections. For example, our subsidiary in Huizhou regularly conducts LDAR and operates two regenerative thermal oxidizer combustion systems in an active-standby configuration.
- *Solid Waste.* We manage solid waste through a categorized system, ensuring proper handling based on hazard levels to maximize resource recovery and minimize environmental impact. For hazardous waste, we have implemented the Hazardous Waste Management Policy. We adopt a combination of on-site storage and disposal by duly licensed third-party providers, implementing strict controls to prevent secondary pollution during the handling process.

Our waste management objectives are to maintain 100% compliance for all emissions, including wastewater and waste gases, to achieve full compliance in the disposal of hazardous waste, and prevent any major environmental compliance incidents throughout the year.

The following table sets forth a breakdown of our waste generated by our operations for the periods indicated:

| Indicators                           | Year Ended December 31, |         |         | Six Months Ended June 30, |
|--------------------------------------|-------------------------|---------|---------|---------------------------|
|                                      | 2023                    | 2024    | 2025    | 2026                      |
| Non-hazardous waste (tonnes) . . . . | 782.9                   | 974.0   | 1,264.2 | 580.7                     |
| Hazardous waste (tonnes) . . . . .   | 2,883.9                 | 4,780.2 | 4,914.7 | 4,479.0                   |

## BUSINESS

### Resource Consumption

We prioritize resource efficiency and systematic energy management. Our resource management system covers water and electricity to ensure effective resource conservation. To foster a culture of sustainability, we have implemented initiatives, including the energy conservation promotion, lean production training and daily energy-saving inspections, to enhance employee awareness and encourage active participation in energy-saving initiatives. Each of our production sites has implemented technological upgrades based on actual production requirements and has achieved significant results. For example, timed operation of exhaust fans at our Huizhou subsidiary reduced daily runtime by 10 hours, saving 9,000 kWh per fan annually; steam condensate heat recovery at our Suzhou subsidiary saved around 1,100 tons of industrial steam per year. We are also expanding clean energy adoption. Our photovoltaic project has generated 5.4 million kWh of electricity since its launch in July 2024.

We actively recycle and reuse water, including recovering reverse osmosis concentrate and processing system drainage as make-up water for cooling towers. For example, our Huizhou subsidiary’s steam condensate recovery project employs a closed-loop recovery system for high-temperature condensate, reducing freshwater consumption by 73,800 cubic meters annually. We also conduct regular inspections of water-using equipment, replace conventional fixtures with water-saving alternatives, and deploy intelligent monitoring systems. In addition, we manage materials and packaging, making dynamic adjustments aligned with production plans and promoting the reuse of certain packaging materials. We have progressively replaced small-scale cold chain packaging with larger-capacity versions for pharmaceutical shipments and substituted traditional transport packaging like cardboard boxes and fiberboard drums with reusable bulk bags, significantly reducing single-use packaging consumption and waste generation.

The table below sets forth a breakdown of our resource consumption for the periods indicated:

| Indicators                              | Year Ended December 31, |             |             | Six Months Ended June 30, |
|-----------------------------------------|-------------------------|-------------|-------------|---------------------------|
|                                         | 2023                    | 2024        | 2025        | 2026                      |
| Natural gas (m <sup>3</sup> ) . . . . . | 4,188,088.0             | 5,143,509.0 | 4,466,810.0 | 2,763,921.0               |
| Purchased electricity (MWh) . . . . .   | 61,347.2                | 69,882.9    | 73,502.8    | 40,202.8                  |
| Purchased heat (GJ) . . . . .           | 98,835.3                | 133,875.8   | 138,615.3   | 81,438.1                  |
| Total water consumption (tonnes) . .    | 850,248.0               | 985,924.0   | 848,190.4   | 503,534.9                 |

The decrease in our resource consumption from 2024 to 2025 was primarily due to the temporary suspension of cephalosporin-related production lines at two production plants, as changes in overall market environment for cephalosporin products led to reduced demand for the relevant APIs and formulations we produce. The suspension was a temporary operational adjustment based on evolving market dynamics.

### Climate Change

We may be exposed to risks arising from climate change, which can be broadly categorized into physical risks and transition risks. To address physical risks, we have formulated the comprehensive emergency plans to mitigate the potential impact of natural disasters on our business operations. Transition risks arise from changes in policies, regulations, technologies, and market conditions associated with the shift towards a low-carbon economy, which may affect our operating model and cost structure. We will continue to enhance the efficiency of our energy-using facilities to mitigate the potential impacts of transition risks.

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During the Track Record Period, climate change and extreme weather events did not have a material adverse effect on our business operations or financial performance. Going forward, we intend to conduct comprehensive analyses of climate-related risks and their potential and actual impact on our operations, strategies, and financial performance. Meanwhile, we recognize the potential opportunities presented by the low-carbon transition in operational efficiency improvement and cost management optimization.

### *Greenhouse Gas Emissions (“GHG”)*

Our direct GHG (Scope 1) emissions primarily arise from the combustion of fossil fuels such as gasoline, diesel, and natural gas used in production facilities, company-owned vehicles, and other operational facilities. Our indirect GHG (Scope 2) emissions mainly result from the consumption of purchased electricity, heat, and other energy sources for production and operations. Our HSE department oversees and coordinates our carbon emission management initiatives. The department has initiated preparations for Scope 3 GHG emissions accounting and is formulating an implementation plan. We expect to complete the identification and assessment of Scope 3 emission categories, as well as the collection and consolidation of relevant data, in 2026. Building on these efforts, we aim to disclose Scope 3 GHG emissions in the ESG report released no later than the first full fiscal year following the [REDACTED].

The following table sets forth a breakdown of our GHG emissions during the Track Record Period:

| Indicators                                                                       | Year Ended December 31, |          |          | Six Months Ended June 30, |
|----------------------------------------------------------------------------------|-------------------------|----------|----------|---------------------------|
|                                                                                  | 2023                    | 2024     | 2025     | 2026                      |
| GHG emission (tonnes CO <sub>2</sub> equivalent) . . . . .                       | 53,093.0                | 63,623.3 | 64,586.0 | 36,421.5                  |
| Scope 1 (tonnes CO <sub>2</sub> equivalent) . . .                                | 9,302.2                 | 11,397.8 | 9,896.7  | 6,131.7                   |
| Scope 2 (tonnes CO <sub>2</sub> equivalent) . . .                                | 43,790.8                | 52,225.5 | 54,689.3 | 30,289.8                  |
| GHG emission intensity (tonnes CO <sub>2</sub> equivalent/RMB million) . . . . . | 15.8                    | 15.9     | 14.8     | 14.7                      |

We actively support the national “Dual Carbon” goals and are committed to green and low-carbon development. We aim to contribute to a sustainable pharmaceutical industry, complying with the national strategic objectives of achieving carbon peak by 2030 and carbon neutrality by 2060. Based on benchmarking analysis of relevant practices adopted by other domestic leading pharmaceutical companies, and taking into account our actual circumstances, we have established energy consumption and carbon emissions reduction targets. In 2024, our energy intensity and carbon emission intensity were 5.2 tonnes of standard coal equivalent and 15.6 tonnes of CO<sub>2</sub> equivalent per RMB1 million in revenue, respectively. Against this baseline, we aim to achieve a 50% reduction in energy intensity and a 41% reduction in carbon emission intensity by 2030. The photovoltaic projects at our Huizhou subsidiary, Shandong subsidiary, and our Daya Bay industrialization base, with a total installed capacity of 3,600 kW, reduced our carbon dioxide emissions by 496 tonnes in 2024, 1,323 tonnes in 2025, and 1,048 tonnes in the six months ended June 30, 2026.

### **Occupational Health and Safety**

We adhere to the principle of “People-Oriented, Ensuring Safe Production” and strictly comply with relevant occupational health and safety regulations, and are committed to achieving zero casualty accidents and zero occupational disease incidents. Our key preventive and protective measures include:

- *Accountability System.* We have established a health, safety, and environment (“HSE”) management system in line with national standards. We encourage and have implemented procedures for reporting hazards and incidents by employees while protecting them from retaliation. We also provide safety training to all employees to reinforce compliance and safety awareness.

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- *Whole-Process Control Mechanism.* We have implemented a four-tier risk investigation and management mechanism encompassing group, factory, department, and team-level inspections, supported by a robust emergency response plan system, creating an integrated management framework that covers risk prevention and emergency response.
- *Supervision and Incentive Mechanisms.* We implement positive incentive and recognition programs to foster proactive participation and a sense of responsibility among all employees, thereby driving continuous management improvement through a balanced approach of supervision and motivation.

In 2025, we achieved a total recordable incident rate of 0.097 per 200,000 working hours, which compares favorably with the safety benchmark range of 0.15-0.46 per 200,000 working hours disclosed by leading international peers. During the Track Record Period, we did not experience any material incidents or claims for material personal or property damage.

During the Track Record Period, one of our operating subsidiaries in China was subject to a administrative penalties due to violation of applicable PRC work safety and fire protection laws:

- On April 20, 2023, the local emergency management bureau imposed an administrative penalty of RMB10,000 on the subsidiary for its failure to install safety warning signs in one of the hydrochloric acid tank areas within its production zone, in violation of Article 35 of the Work Safety Law of the PRC (2021 Edition) (the “**2023 Incident**”).
- On August 15, 2025, the local fire and rescue authority imposed an administrative penalty of RMB31,000 on the subsidiary for its failure to maintain fire protection facilities, including fire hydrants without water supply in the first and second floors of its quality inspection center, in good working order, in violation of Article 16 of the Fire Protection Law of the PRC (the “**2025 Incident**”).

Our subsidiary has fulfilled these administrative penalties in full in accordance with the requirements set forth in the penalty decisions, and took the following remedial measures to improve its compliance with work safety requirements, including (i) installing safety warning signs in relevant areas, (ii) accelerating the construction of the fire pump room (which was completed in December 2025), and (iii) engaging a qualified third-party service provider to inspect its fire protection facilities, who confirmed that based on inspection, the automatic sprinkler system had met applicable standards. In addition, it has reinforced its policies on production and fire safety and strengthened relevant training. As of the Latest Practicable Date, the competent authorities had not issued any further rectification requirements or imposed additional penalties in connection with either the 2023 Incident or the 2025 Incident.

As advised by our PRC Legal Advisor, the administrative penalties imposed on the two incidents described above were not material in nature under the applicable laws and regulations. They had not materially and adversely affected our business, operating results, and financial condition. Our PRC Legal Advisor further advised that based on (i) compliance certificates issued by the relevant competent authorities, (ii) publicly available information from local legal and regulatory databases, and (iii) the Company’s confirmation, we are not subject to any material litigation or penalties in relation to production and fire safety. In light of these, our PRC Legal Advisor is of the view that we have complied in all material respects with the PRC laws and regulations on production and fire safety as of the Latest Practicable Date.

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### Talent Management

We have established a comprehensive employee management and protection system, ensuring lawful and compliant employment practices. We foster an equal and inclusive working environment, which allows our employees to grow their career with us.

#### *Diversity, Equity, and Inclusion*

We promote equal employment and prohibit all forms of illegal employment practices, including inappropriate behavior based on personal attributes. We foster an open and inclusive working environment, encouraging employees to express their views and suggestions. We have established multiple communication channels, including forums, employee suggestion boxes, dedicated complaint hotlines, staff representative meetings, and trade union meetings. Through these mechanisms, we actively solicit employee feedback, improving their constructive engagement and our mutual development.

The following table sets forth a breakdown of our employees by gender and age for the periods indicated:

| Indicators          |             | Year Ended December 31, |       |       | Six Months<br>Ended June 30, |
|---------------------|-------------|-------------------------|-------|-------|------------------------------|
|                     |             | 2023                    | 2024  | 2025  | 2026                         |
| By Gender . . . . . | Male        | 1,839                   | 1,896 | 2,114 | 2,311                        |
|                     | Female      | 1,678                   | 1,700 | 1,973 | 2,084                        |
| By Age . . . . .    | ≤30 years   | 1,026                   | 959   | 1,171 | 1,265                        |
|                     | 31-50 years | 2,332                   | 2,471 | 2,751 | 2,961                        |
|                     | >50 years   | 159                     | 166   | 165   | 169                          |

### *Employee Benefits and Development*

To promote fairness and transparency and motivate our employees, we offer employees a competitive compensation framework comprising fixed salaries, performance-based bonuses, and supplementary allowances, as well as supplementary benefits including holiday allowances and commercial insurance. We continuously refine our incentive mechanisms to enhance employee engagement. We also regularly organize cultural activities to foster a harmonious and dynamic working environment.

We value talent cultivation. We have established a systematic talent development framework centering on dual career paths—management and professional—supported by our online learning platform “Xin Academy” and offline training programs. We offer ladder leadership programs such as the Xin Class, Li Class, and Tai Class to enhance employees’ management capabilities at different levels. We tailor training for new employees based on their background: experienced hires are quickly integrated into their roles through a three-level onboarding system, while campus management trainees follow a three-year systematic program for steady growth. In 2023, 2024, 2025, and the six months ended June 30, 2026, the average training hours per employee were 50 hours, 56 hours, 59 hours, and 45 hours, respectively. The number of training participants reached 292,021, 260,051, 331,387, and 170,728, respectively, with a training participation rate of 100% during the Track Record Period.

### Sustainable Supply Chain

Our suppliers primarily consist of raw material and equipment suppliers, as well as technical, clinical, marketing, and engineering service providers. We require suppliers to sign an agreement of business ethics and principles during their onboarding, and all of our suppliers signed such agreement during the Track Record Period. We implement a tiered supplier management approach, identifying key suppliers based on the scope of cooperation and transaction volume. We evaluate suppliers’ performance on an annual basis, covering key indicators including product quality,

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environmental and safety performance, and compliance records. To enhance our supply chain sustainability, we prioritize procuring energy-efficient and environmentally friendly products, encourage suppliers to participate in climate-related initiatives, and help them enhance their sustainable management capabilities through various means, such as offering them regular thematic training sessions.

### Clinical Trial Ethics

We prioritize clinical trial ethics in pharmaceutical research and development. We strictly adhere to international ethical guidelines, including the World Medical Association’s Declaration of Helsinki, and we comply with relevant laws and regulations. We implement procedures such as ethical submission management, informed consent form management and protection of participants’ personal information to ensure the safety, compliance, and ethical integrity of all our clinical trials. We obtain informed consent from every participant and provide liability insurance for all subjects involved in clinical trials to protect participants and ensure regulatory compliance. Ethical considerations are also integral to our animal studies, where we take proactive measures to ensure appropriate living conditions and welfare for animals. All animal experiments are conducted under strict ethical guidelines and in accordance with animal welfare standards.

### Social Contribution

We aspire to contribute to improving livelihoods and promoting community development. We actively fulfill our social responsibilities and contribute to the society through various charitable and community initiatives, including organizing free medical consultations, donating medicines, establishing scholarships and grants, and supporting infrastructure development. In the six months ended June 30, 2026, our public welfare programs mobilized approximately 126 employees and volunteers who contributed a total of 796 hours to charitable activities. In the same period, our charitable donations amounted to RMB32.2 million and benefited more than 10,000 individuals, including local residents, students, and patients, demonstrating our commitment to giving back to society.

## RISK MANAGEMENT AND INTERNAL CONTROL

### Risk Management

We are exposed to a range of risks in the ordinary course of our business. We have implemented comprehensive risk management policies and procedures to assess, monitor and mitigate operational, financial, legal and market risks identified in our operations. Our policies and procedures relate primarily to managing our R&D, procurement and production related risks and monitoring our sales performance and product quality. We also periodically review these policies and procedures to ensure their continuing effectiveness. For more details on these risks, see “Risk Factors—Risks Related to Our Business and Industry.”

To monitor the ongoing implementation of our risk management policies and corporate governance measures after the [REDACTED], we have adopted or will continue to adopt, among other things, the following risk management measures:

- establishing an audit committee to review and supervise our financial reporting process and internal control system. For the qualifications and experience of our audit committee members, see “Directors and Senior Management—Committees Under the Board of Directors—Audit Committee”;
- adopting policies to ensure compliance with the Listing Rules, including aspects related to risk management, connected transactions and information disclosure;

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- organizing training sessions for our Directors and senior management in respect of the relevant requirements of the Listing Rules and duties of directors of companies [REDACTED] in Hong Kong;
- providing anti-corruption and anti-bribery compliance training periodically to our senior management and employees to enhance their knowledge and compliance with applicable laws and regulations;
- setting guidelines and processes for identifying, measuring and addressing currency risks, ensuring that all hedging arrangements are conducted within a structured and consistent framework;
- enhancing our reporting and records system for production facilities, including centralizing their quality control and safety management systems and conducting regular inspections of the facilities;
- establishing a set of emergency procedures in the event of major production safety related issues; providing enhanced training programs to our employees on quality assurance and production safety procedures; and
- strengthening fund management to prevent the misappropriation of funds, and enhancing the efficiency of fund utilization.

### Internal Control

We have developed internal control policies and guidelines that specify standards for identifying internal control deficiencies, conducting internal audits, and managing follow-up actions. We conduct regular internal audits across all major aspects of our operations, and our Audit Committee oversees our internal controls and evaluates their effectiveness. Our audit department and dedicated legal personnel oversee and supervise our internal compliance matters. We have established an internal control system and have implemented management procedures through office automation and enterprise resource planning tools. We also engage external counsels to monitor changes in relevant laws and regulations, oversee and evaluate our internal control measures for ongoing or potential litigation disputes, and address any potential violations.

### *Anti-Bribery and Anti-Corruption*

We strictly comply with applicable laws and regulations, including the Anti-Unfair Competition Law of the People’s Republic of China and the Anti-Money Laundering Law of the People’s Republic of China, and have established internal management policies and procedures, including the Complaint and Reporting System, the Employee Handbook, and the Reward and Disciplinary Policy. We are committed to continuously strengthening integrity governance and business ethics, embedding compliance requirements into key business processes, including procurement, sales, finance, and human resources, and establishing clear approval protocols to ensure the comprehensive implementation of anti-corruption measures across all operations.

To enhance employees’ understanding of anti-bribery and anti-corruption principles, we conduct mandatory compliance training for new employees and personnel in key positions, and regularly communicate company policies through various channels, including emails, the internal network, and meetings. In addition, we have established multiple reporting channels, including dedicated email addresses and internal management platforms, to ensure the timely and impartial investigation of, and feedback on, all reported cases. A whistleblower protection mechanism is in place to safeguard the rights and safety of reporting individuals. During the Track Record Period, we were not subject to any corruption-related litigation.

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### *Other Compliance Policies*

To comply with applicable sanctions and export control regulations, we have established a dedicated compliance policy. This policy outlines standard operating procedures for risk screening, identification, reporting, and assessment, as well as defining the compliance governance structure and related inquiry and reporting mechanisms. The policy has been integrated into our key business processes, particularly during the initiation of new business and customer engagement activities.

Furthermore, we have implemented policies to ensure compliance with the listing rules of both the Shenzhen Stock Exchange and [REDACTED], covering areas such as risk management, connected transactions, financial reporting, and information disclosure. We provide, and will continue to provide, periodic compliance training to our senior management and employees, including specific training on the Listing Rules for our Directors and senior management.

### *Effectiveness of Internal Control*

In anticipation of the [REDACTED], we have engaged an IC Consultant to conduct the internal control review and a follow-up review of the design and implementation of our internal controls associated with our business processes. The internal control review and the follow-up review performed by the IC Consultant constituted a Long Form Report engagement pursuant to the relevant technical bulletins in AATB1 issued by the Hong Kong Institute of Certified Public Accountants. The scope of the internal control review was agreed among our Directors, the Joint Sponsors, and the IC Consultant. The selected areas of the internal control review included entity-level controls, which covered the controls on entity level and process level, which covered the financial reporting process. The IC Consultant performed walkthrough tests and control testing following interviews with our management and relevant personnel, and did not identify any material deficiencies in our internal controls. Based on this review, the IC Consultant recommended enhancements in several areas, which include supplier lifecycle oversight, procurement standardization, and the continuous monitoring of third-party IT accounts. In response, we have completed a series of improvements, including finalizing, publishing, and implementing updated management systems and standard operating procedures. These new mechanisms have been communicated to, and relevant training has been provided to, all relevant departments to ensure compliance. The IC Consultant also performed a follow-up review on our system of internal controls, with regard to the improvements we made in response to internal control recommendations. Subsequent to the completion of all necessary follow-up procedures, we have not received any further recommendations or findings from the IC Consultant.