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Application Proof of

ACROBIOSYSTEMS CO., LTD
北京百普賽斯生物科技股份有限公司

(the "**Company**")

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

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ACROBIOSYSTEMS CO., LTD
北京百普賽斯生物科技股份有限公司

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

[REDACTED]

Number of [REDACTED] under the [REDACTED]	**:**	**[REDACTED] H Shares (subject to the [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to reallocation)**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to reallocation and the [REDACTED])**
Maximum [REDACTED]	**:**	**HK$[REDACTED] per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal Value	**:**	**RMB1.00 per H Share**
Stock Code	**:**	**[•]**

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SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to **[REDACTED]** *in the* **[REDACTED]**. *There are risks associated with any* **[REDACTED]**. *Some of the particular risks in* **[REDACTED]** *are set out in the section headed "Risk Factors" in this document. You should read that section carefully before you decide to* **[REDACTED]**.

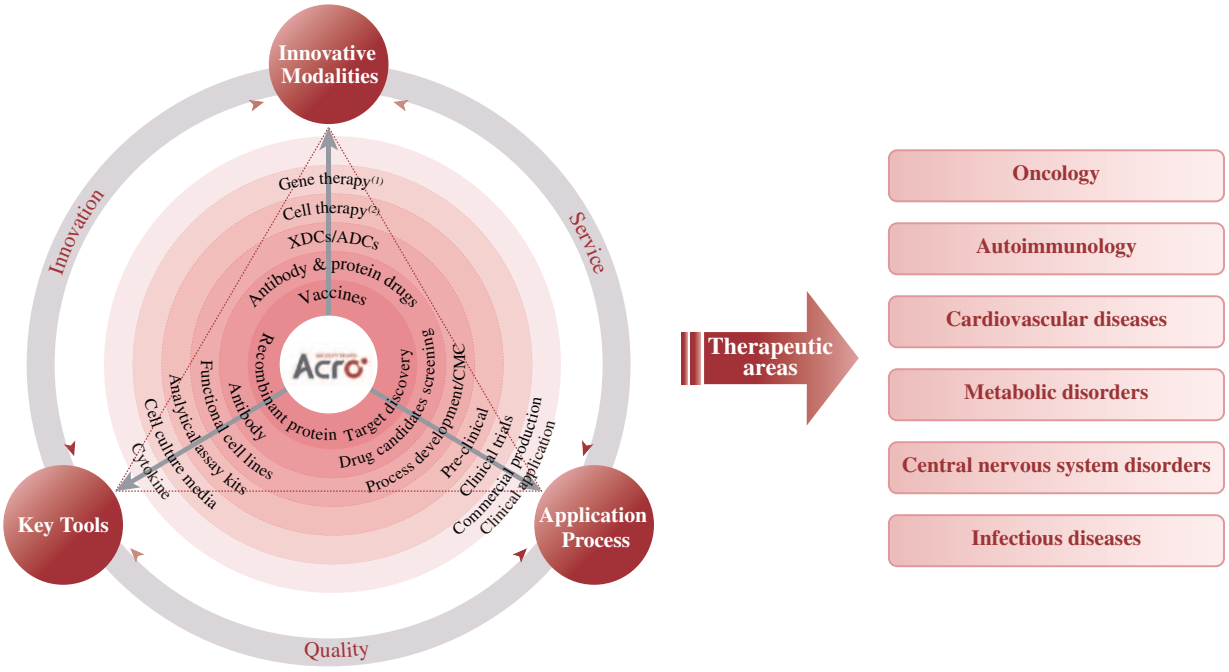
OVERVIEW

We are principally engaged in the R&D, production and sales of recombinant proteins, antibodies and analytical assay kits. According to Frost & Sullivan, we are well-positioned in the biological reagents industry, especially in the recombinant protein segment. We ranked first among all China-based providers and third among all providers in global recombinant protein market with a market share of 2.7% globally in terms of revenue in 2025, while the aggregate market share of the top two market participants amounted to 33.0%. We also ranked third among all providers in the biological reagents industry in China with a market share of 2.6% in terms of revenue in 2025, while the aggregate market share of the top two market participants amounted to 17.6%. Notably, we achieved higher revenue growth rate from 2023 to 2025 compared to that of the top five participants in terms of revenue in the global biological reagents market, according to Frost & Sullivan.

We offer a comprehensive portfolio integrating biological reagents, including recombinant proteins, antibodies, analytical assay kits and other products, complemented by a range of technical services. The synergy among our offerings allows us to offer customized solutions that address the critical needs of biopharmaceutical R&D, from early-stage target discovery to clinical trials. Specifically: (i) vertically, our product portfolio covers the toolchain from target discovery, drug screening and optimization through to preclinical research, ensuring experimental continuity as well as consistent and comparable data; (ii) horizontally, we integrate our reagent products, such as recombinant proteins, with technology capabilities to address key industry R&D bottlenecks such as the expression of difficult-to-express proteins; and (iii) by leveraging product and data synergies across preclinical and clinical trial stages, we enable full traceability of research outcomes and maintain dataset consistency. As of the Latest Practicable Date, we offered over 5,000 SKUs of products and a diverse array of technical services, which are manufactured or provided in accordance with applicable international and industry-recognized quality standards and frameworks, including ISO 9001:2015, ISO 13485:2016, Current Good Manufacturing Practice, Medical Device Single Audit Program and Rx-360.

SUMMARY

The chart below illustrates our portfolio of products and services and their respective modalities and application processes:



Notes:

We provide critical biological reagents, core raw materials and technical solutions for biologics R&D. We supply pharmaceutical companies and research institutions with products such as recombinant proteins, antibodies, analytical assay kits, cell culture media, functional cell lines and cytokines, among others, which are essential for various stages of innovative drug development. Our products and services support the entire drug development lifecycle, ranging from early-stage target discovery and candidate screening, to pre-clinical studies, clinical trial support and quality- and process-related support for commercial manufacturing. Our solutions are applicable across major therapeutic areas, including oncology, autoimmune diseases, infectious diseases, central nervous system disorders, cardiovascular diseases and metabolic disorders, and across multiple technology modalities, such as antibody and protein therapeutics, gene therapy, cell therapy, vaccines and antibody-drug conjugates ("**ADCs**").

(1) Gene Therapy focuses on viral vector-based delivery and editing technologies.

(2) Cell Therapy encompasses key modalities including CAR-T (a T-cell that expresses a CAR to specifically identify and destroy cancer cells), CAR-NK (a cell that expresses CAR to recognize and eliminate targeted cancer cells via NK-mediated cytotoxicity), TCR-T (a cell therapy that engineers T cells with modified T-cell receptors to target specific cancer antigens) and Tumor-Infiltrating Lymphocytes ("**TIL**").

We serve a diversified customer base comprising leading global pharmaceutical participants and biotechnology companies. Our solutions cover diverse therapeutic areas such as oncology, autoimmune diseases, cardiovascular diseases, metabolic diseases, central nervous system and infectious diseases, while actively supporting modalities including X-drug conjugates ("**XDCs**"), ADCs, cell and gene therapy ("**CGTs**") and multi-specific antibodies.

We attach strategic importance to our business development in domestic and international markets, focusing primarily on China and the United States. In 2023, 2024, 2025 and the seven months ended July 31, 2026, revenue generated from Chinese Mainland and the United States accounted for 77.7%, 76.1%, 76.3% and 77.4% of our total revenue in the respective periods. Our China-based operations focus on the industrial translation, process improvement and scalable production, forming an efficient cycle of technological upgrading and commercial application to strengthen our core capabilities. Supported by the supply chain, scale and cost competitiveness of our China operations, we have an established presence in the Asia-Pacific region and support global product delivery. Our strategic

business operation in the United States enables us to establish on-site research and technical collaboration teams, as well as maintain frequent interactions with leading global biotech institutions, granting us continuous access to advanced technological know-how overseas. Through close engagement with leading global biopharmaceutical enterprises, we have absorbed advanced expertise in protein engineering, expression optimization and quality management systems. It also supports efficient production, builds our proprietary technology portfolio and accelerates our global expansion efforts, including customer engagement, business development and marketing activities. By maintaining operations close to major global biomedical innovation clusters in the United States, we are able to promptly capture cutting-edge developments, evolving industry standards and unmet research demands in drug discovery, preclinical studies and CMC process development. Our operations in the United States also play a key role in market development and brand building in North America and Europe, including customer engagement, business development and marketing activities. By integrating direct sales, localized distribution, unified quality management and cross-regional logistics, we achieve broad and efficient global coverage, enabling rapid and sustainable international growth. We are not only a partner to multinational pharmaceutical corporations but also support Chinese biopharmaceutical companies expanding internationally by providing products and technical support tailored to their overseas R&D needs and applicable quality and regulatory requirements. According to Frost & Sullivan, our customer base includes all of the top 20 global pharmaceutical companies and the top five global life science service providers in terms of revenue in 2025. We enjoy customer stickiness, evidenced by a 100% repurchase rate among our top 20 customers in terms of revenue during the Track Record Period.

The biological reagents market has demonstrated significant growth potential, with recombinant protein reagents as its core segment. According to Frost & Sullivan, in 2025, recombinant protein reagents accounted for 13.1% of the global biological reagents market, serving as a primary growth engine for the sector. The global biological reagents market reached US$26.4 billion in 2025 and is projected to further grow to US$39.5 billion by 2032, representing a CAGR of 5.9%. In China, the market size reached US$4.6 billion in 2025 and is expected to further grow to US$13.4 billion by 2032, reflecting a robust CAGR of 16.8%. The global market for recombinant protein reagents reached US$3.5 billion in 2025 and is expected to grow to US$8.6 billion by 2032, representing a CAGR of 14.0%. The recombinant protein reagents market in China reached US$0.4 billion in 2025 and is anticipated to reach US$1.3 billion by 2032, representing a CAGR of 17.0%. Furthermore, rising downstream demand for innovative therapeutics, such as XDCs/ADCs and CGTs, continues to drive robust demand for biological reagents for upstream supplies in the global biologics market.

Our business growth is driven by several key factors: (i) expansion of innovative therapeutics, which have catalyzed demand for our specialized upstream reagents; (ii) continuous R&D and manufacturing spending growth of biopharmaceutical companies, which indicates potential market demand for our product and service offerings; and (iii) ecosystem-driven value creation as we have expanded to provide integrated industry solutions serving the biopharmaceutical industry, driving revenue growth through deeper customer penetration and enduring partnerships.

Our Business Models

We focus on recombinant proteins as our core products, with a diversified portfolio of other biological reagents including antibodies, analytical assay kits, functional cell lines and cell culture media, among others. This comprehensive portfolio enables us to serve the R&D and manufacturing requirements of our customers, such as pharmaceutical and biotechnology companies across key therapeutic areas (including oncology, autoimmune diseases, cardiovascular diseases, metabolic diseases, central nervous system disorders and infectious diseases) and innovative modalities (including mAbs, multi-specific antibodies, XDCs/ADCs and CGTs). In addition, we also provide technical services such as molecular interaction analysis tailored to customers' specialized R&D needs, forming an integrated "products + services" model. Positioned as a core tool provider upstream in biopharmaceutical R&D, we are committed to supporting the full business life cycle from early research and mass production to clinical application, helping customers enhance R&D efficiency and lower development costs.

OUR COMPETITIVE STRENGTHS

We believe the following strengths contributed to our success and differentiate us from our competitors: (i) a global provider of biological reagents engaged in the recombinant protein segment; (ii) continuous innovation to address customer needs across the industry value chain; (iii) globally integrated R&D network driving continuous innovation; (iv) a loyal and high-quality customer base with sustainable collaboration; (v) scalable infrastructure and global commercial network; and (vi) experienced management team supported by a robust talent ecosystem.

OUR BUSINESS STRATEGIES

We will implement the following key strategies in line with our mission and vision: (i) expand and diversify our portfolio to deliver comprehensive, customized solutions; (ii) proactively address emerging technologies and therapeutic modalities; (iii) accelerate the construction of integrated product, service and platform capabilities; (iv) deepen global localization to accelerate international market penetration; and (v) explore strategic investment and M&A opportunities.

OUR PRODUCTS AND SERVICES

We are committed to providing comprehensive and full-lifecycle solutions that support our customers across R&D, manufacturing and clinical application. We develop, manufacture and sell a broad portfolio of life science tools, primarily comprising recombinant proteins, antibodies, analytical assay kits and other biological reagents products. Complementing our product portfolio, we also offer a range of technical services.

The following table sets forth the sales volume and average selling price by business line for the periods indicated:

	For the year ended December 31,						For the seven months ended July 31,			
	2023		2024		2025		2025		2026	
	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price
	mg	*RMB in thousand/ mg*	*mg*	*RMB in thousand/ mg*	*mg*	*RMB in thousand/ mg*	*mg*	*RMB in thousand/ mg*	*mg*	*RMB in thousand/ mg*
Recombinant proteins[(1)]	30,467	15.0	44,032	12.2	43,157	15.7	24,795	15.2	31,641	15.4
— Standardized[(2)]	30,312	15.0	43,716	12.1	42,746	15.7	24,543	15.1	31,058	15.4
— Customized	155	15.0	316	24.1	411	23.9	252	23.9	583	16.4
Antibodies	1,248	22.7	2,489	13.1	4,415	8.9	2,876	7.9	2,220	12.2
— Standardized[(3)]	1,248	22.7	2,416	13.5	4,314	9.1	2,775	8.2	2,118	12.8
— Customized[(4)]	—	—	73	1.4	101	1.0	101	0.8	103	0.5
	unit	*RMB in thousand/ unit*	*unit*	*RMB in thousand/ unit*	*unit*	*RMB in thousand/ unit*	*unit*	*RMB in thousand/ unit*	*unit*	*RMB in thousand/ unit*
Analytical assay kits	6,257	3.0	7,840	2.9	10,961	3.4	5,750	3.2	8,545	3.6
— Standardized	6,257	3.0	7,840	2.9	10,933	3.4	5,750	3.2	8,523	3.6
— Customized	—	—	—	—	28	6.8	—	—	22	5.6
	Unit	*RMB in thousand/ unit*	*Unit*	*RMB in thousand/ unit*	*Unit*	*RMB in thousand/ unit*	*Unit*	*RMB in thousand/ unit*	*Unit*	*RMB in thousand/ unit*
Technical Services[(5)]	558	27.8	596	29.3	587	29.1	315	26.4	597	29.3

Notes:

(1) Our recombinant proteins were sold in a variety of product specifications, including those measured in milligrams, micrograms, tests, units, milliliters and unit activities, among others. For clarification purposes, recombinant proteins measured in milligrams included recombinant proteins measured in other specifications after conversion.

(2) The average selling prices of standardized recombinant proteins were relatively lower in 2024, primarily due to increased sales volume of products with larger specifications, which were generally sold at lower average selling prices.

(3) The average selling price of antibodies decreased continuously from 2023 to 2025, primarily driven by the introduction of new antibody products with relatively lower prices. The average selling price of antibodies increased from the seven months ended July 31, 2025 to the seven months ended July 31, 2026, primarily because we recorded higher sales of products with lower unit prices and larger specifications in the seven months ended July 31, 2025 in response to the market demand.

(4) The average selling prices of customized antibodies were lower than standardized antibodies, primarily due to larger purchase volumes from customers for customized products, which entitled them to preferential average selling prices.

(5) The fluctuation of the average selling prices of our technical services was primarily due to variations in the complexity and duration of individual service projects.

Our Products

Recombinant proteins

Recombinant proteins are artificially produced proteins created through genetic engineering, using cells programmed with recombinant DNA. Recombinant proteins are essential biological reagents utilized in the R&D, manufacturing and clinical application, biopharmaceuticals, cell immunotherapy and diagnostic reagents. In recent years, the emergence of targeted therapy and immunotherapy has significantly improved treatment outcomes for diseases such as cancer, autoimmune disorders and infectious diseases. Antibody drugs and cell immunotherapies, exemplified by CAR-T, play a critical role in targeted therapy and immunotherapies. Their development and production processes demand high-quality recombinant proteins with exceptional batch-to-batch consistency.

Antibodies

Antibodies are protective proteins produced by the body in response to antigen stimulation, playing a crucial role in drug development, biological research experiments, diagnostic reagent development and disease treatment. We have successfully developed a series of antibody products, including GMP-grade G4S (a synthetic peptide linker sequence) antibodies, anti-FMC63 monoclonal antibodies, anti-MMAE (Monomethyl Auristatin E, a cytotoxin that inhibits cell division, conjugated to antibodies for targeted cancer therapy) monoclonal antibodies, anti-DM1 monoclonal antibodies, as well as cytokine antibody pairs such as IFNγ (a cytokine that modulates immune responses and defends against viral and bacterial infections) and anti-His-tag monoclonal antibodies.

Analytical assay kits

We have developed a comprehensive range of analytical assay kits to address the requirements of various stages in the biopharmaceutical development process, including production quality control, preclinical studies and clinical trials. Our analytical assay kits include residual host cell DNA detection kits, nuclease residue detection kits, cytokine detection kits and inhibitor screening kits, providing reliable and efficient detection methods for drug development.

Others

Our other products primarily include functional cell lines and cell culture media. We offer a series of functional cell lines, such as reporter functional cell lines, overexpression cell lines and gene knockout cell lines, together with related services such as cell line customization and commercial licensing support. We also launched a series of cell culture media products, including serum-free cell culture medium and cell-level magnetic beads.

Our Technical Services

In addition to providing biological reagents, we leverage our R&D capabilities and technical expertise to provide technical services for our customers. Our technical services primarily encompass the development and optimization of molecular interaction analysis methods and the provision of

molecular interaction analysis services for biopharmaceuticals, cell immunotherapy and diagnostic reagents throughout the R&D and manufacturing process. We also provide customers with analytical data and experimental reports to support their product development and production activities.

Our Integrated Customized Solutions

Based on our products portfolio and technical services, we are able to provide integrated customized solutions tailored to customers' specific R&D and manufacturing requirements. Our solutions serve a broad range of application scenarios, including preclinical antibody drug research, CMC process development for CGT, screening and validation of ADC drugs, and drug research on novel targets. In addition to providing individual products or standalone services, we offer coordinated solutions that integrate products, technical services and development support. Depending on customers' specific requirements, we may provide a combination of standardized or customized products, specialized development services, process optimization support and quality validation support. This enables us to support customers throughout different stages of their R&D and manufacturing processes in a more efficient and comprehensive manner.

Applications of Our Products and Services Across Major Biopharmaceutical Modalities

The global biopharmaceutical industry has evolved to a diversified landscape defined by multiple therapeutic modalities, including (i) mAb, BsAb and multi-specific antibody drugs; (ii) XDCs/ADCs; (iii) cell therapies; and (iv) gene therapies. Each modality follows a distinct technical route across drug discovery, pre-clinical studies, clinical trials and commercial development, and correspondingly generates differentiated demand for life science tools such as recombinant proteins, antibodies, functional cell lines, analytical assay kits and analytical services. Our product portfolio is designed to support the R&D processes of these modalities and is capable to be applied across multiple application scenarios throughout their lifecycle.

RESEARCH AND DEVELOPMENT

We have established a comprehensive R&D framework that combines product-line specialization with coordinated technology sharing across business units. Our R&D capabilities are underpinned by a suite of proprietary and advanced technologies, which form an integrated ecosystem enabling customized development from initial antigen design to pilot-scale and large-scale manufacturing. As of the Latest Practicable Date, we had 14 core technologies which represent our core competitive advantage and are the engine driving our innovative products. During the Track Record Period, we also cooperated with biotechnology companies to enhance our R&D capabilities in the fields of biological reagents. See "Business — Research and Development."

OUR PRODUCTION AND FACILITIES

As of the Latest Practicable Date, we operated two production facilities in China, which were located in Beijing and Suzhou. Our production facility in Beijing supports pilot-scale and commercial-scale production, technology validation and process execution across multiple product categories in accordance with ISO requirements. Our GMP-grade production facility in Suzhou is equipped with advanced process control systems and a comprehensive GMP-compliant quality management framework. See "Business — Our Production and Facilities."

OUR CUSTOMERS

Our end customers primarily consist of biopharmaceutical companies, research institutions and government institutions. In each period during the Track Record Period, the revenue generated from our five largest customers amounted to RMB114.1 million, RMB141.5 million, RMB180.3 million and RMB135.7 million, respectively, accounting for 21.0%, 21.9%, 21.5% and 22.4% of our total revenue in the respective period. In each period during the Track Record Period, the revenue generated from our

largest customer amounted to RMB63.7 million, RMB74.2 million, RMB95.0 million and RMB71.3 million, respectively, accounting for 11.7%, 11.5%, 11.3% and 11.8% of our total revenue in the respective period. See "Business — Sales and Marketing — Our Customers."

OUR SUPPLIERS

Owing to our vast array of products and services, we procure a wide variety of raw materials for our production and sales. Our major raw materials include biochemical reagents and laboratory consumables. In each period during the Track Record Period, purchases from our five largest suppliers amounted to RMB66.4 million, RMB78.8 million, RMB91.1 million and RMB49.6 million, accounting for 32.6%, 31.0%, 34.4% and 30.8% of our total purchases in the respective period. In each period during the Track Record Period, purchases from our largest supplier amounted to RMB27.3 million, RMB29.8 million, RMB30.6 million and RMB17.7 million, accounting for 13.4%, 11.7%, 11.6% and 11.0% of our total purchases in the respective period. See "Business — Procurement and Supply Chain Management — Our Suppliers."

COMPETITION

The biological reagents market in which we operate is highly competitive and fragmented, where numerous international and domestic participants compete across different product segments and customer bases. In 2025, the concentration rate of top six providers in China's biological reagents market in terms of revenue was 26.6%, according to Frost & Sullivan. We ranked third among all participants in China's biological reagents market with a market share of 2.6% in terms of revenue in 2025, while the aggregate market share of the top two market participants amounted to 17.6%. We ranked first among all China-based providers and third among all providers in global recombinant protein market with a market share of 2.7% globally in terms of revenue in 2025, while the aggregate market share of the top two market participants amounted to 33.0%. As the market continues to evolve, competition is expected to intensify, driven by increasing demand for biological reagents and rapid technological advancements. See "Industry Overview."

SUMMARY OF FINANCIAL INFORMATION

The summary of financial information should be read together with the historical financial information extracted from the Accountants' Report as set out in Appendix I to this document, including the accompanying notes, and the information set out in "Financial Information" in this document.

Summary of Consolidated Statements of Comprehensive Income

The table below presents a summary of our consolidated statements of comprehensive income for the periods indicated:

	For the year ended December 31,			For the seven months ended July 31,	
	2023	2024	2025	2025	2026
	(RMB in thousands)				
				(unaudited)	
Revenue	543,653	645,023	838,118	462,383	606,177
Cost of sales	(85,136)	(98,243)	(138,549)	(79,457)	(102,369)
Gross profit	458,517	546,780	699,569	382,926	503,808
Other income	71,851	70,534	59,150	29,597	20,756
Other gains and (losses), net	15,774	498	(7,362)	7,116	(13,208)
Research and development expenses	(124,915)	(165,350)	(184,173)	(105,123)	(111,433)
General and administrative expenses	(88,595)	(115,520)	(145,865)	(75,149)	(102,991)

	For the year ended December 31,			For the seven months ended July 31,	
	2023	2024	2025	2025	2026
	(RMB in thousands)				
				(unaudited)	
Selling expenses	(167,623)	(207,095)	(248,877)	(146,093)	(164,033)
Net impairment losses recognized on financial assets	(1,711)	(2,171)	(4,096)	(1,359)	(2,675)
Finance costs	(2,695)	(3,543)	(2,689)	(1,946)	(1,009)
Share of results of associates, net	66	782	3,666	1,168	2,962
Profit before income tax	160,669	124,915	169,323	91,137	132,177
Income tax expense	(13,117)	(4,873)	(4,479)	(1,302)	(9,383)
Profit for the year/period	147,552	120,042	164,844	89,835	122,794
Profit for the year/period attributable to:					
Owners of our Company	153,593	123,832	165,568	90,054	122,794
Non-controlling interests	(6,041)	(3,790)	(724)	(219)	—
	147,552	120,042	164,844	89,835	122,794

Our profit for the year decreased from RMB147.6 million in 2023 to RMB120.0 million in 2024, primarily driven by the increase in operating expenses, including higher research and development expenses arising from expanded R&D activities, increased general and administrative expenses in line with our expanding business scale, as well as higher selling expenses resulting from the expansion of our sales network and overseas business. Our profit for the year increased from RMB120.0 million in 2024 to RMB164.8 million in 2025, and our profit for the period increased from RMB89.8 million in the seven months ended July 31, 2025 to RMB122.8 million in the seven months ended July 31, 2026, primarily due to revenue growth driven by strong market demand, our expanded product portfolio, as well as our increased global sales.

The following table sets forth a breakdown of our revenue by business line for the periods indicated.

	For the year ended December 31,						For the seven months ended July 31,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)									
							(unaudited)			
Recombinant proteins	456,501	84.0	535,694	83.1	678,962	81.0	377,517	81.6	486,362	80.2
Antibodies	28,322	5.2	32,632	5.1	39,199	4.7	22,766	4.9	27,193	4.5
Analytical assay kits	19,041	3.5	22,415	3.5	37,159	4.4	18,181	3.9	30,381	5.0
Technical Services	15,492	2.8	17,448	2.7	17,077	2.0	8,313	1.8	17,513	2.9
Others	24,297	4.5	36,834	5.6	65,721	7.9	35,606	7.8	44,728	7.4
— Functional cell lines	4,165	0.8	12,412	1.9	22,990	2.7	12,599	2.7	20,201	3.3
— Cell culture media	4,445	0.8	5,773	0.9	10,349	1.2	6,402	1.4	8,300	1.4
— Other products and services[(1)]	15,687	2.9	18,649	2.8	32,382	4.0	16,605	3.7	16,227	2.7
Total:	**543,653**	**100.0**	**645,023**	**100.0**	**838,118**	**100.0**	**462,383**	**100.0**	**606,177**	**100.0**

Note:

(1) Other products and services primarily included (i) conference income, which mainly consisted of fees charged by us for organizing or hosting various large-scale industry conferences and seminars, (ii) cell development income, derived from the provision of customized cell model development services, and (iii) other miscellaneous income.

Benefiting from the continuous expansion of our domestic and overseas businesses, our revenue generated from various jurisdictions maintained steady growth during the Track Record Period. The following table sets forth a breakdown of our revenue by geographical location of customers for the periods indicated:

	For the year ended December 31,						For the seven months ended July 31,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)									
							(unaudited)			
Chinese Mainland	185,302	34.1	216,355	33.5	303,744	36.2	153,623	33.2	237,792	39.2
Americas	244,320	44.9	284,195	44.1	349,435	41.7	207,537	44.9	237,610	39.2
— The United States	236,843	43.6	274,767	42.6	335,859	40.1	198,585	43.0	231,164	38.2
— Canada	7,263	1.3	9,076	1.4	13,252	1.6	8,782	1.9	6,227	1.0
— Others[(1)]	214	0.0	352	0.1	324	0.0	170	0.0	219	0.0
Europe	78,493	14.4	89,378	13.9	119,280	14.2	65,016	14.1	85,252	14.1
— The United Kingdom	17,958	3.3	18,713	2.9	27,113	3.2	15,612	3.4	18,435	3.0
— Germany	15,093	2.8	19,761	3.1	22,538	2.7	12,896	2.8	18,369	3.0
— France	12,122	2.2	11,791	1.8	18,757	2.2	10,086	2.2	9,096	1.5
— Switzerland	9,681	1.8	10,434	1.6	16,101	1.9	8,960	1.9	11,110	1.8
— Others[(2)]	23,639	4.3	28,679	4.5	34,771	4.2	17,462	3.8	28,242	4.8
Other countries/regions	35,538	6.6	55,095	8.5	65,659	7.9	36,207	7.8	45,523	7.5
— South Korea	12,489	2.3	20,970	3.3	26,639	3.2	14,826	3.2	18,432	3.0
— Japan	6,840	1.3	10,247	1.6	11,388	1.4	6,993	1.5	8,276	1.4
— India	4,490	0.8	6,163	1.0	9,198	1.1	4,814	1.0	7,404	1.2
— Others[(3)]	11,719	2.2	17,715	2.6	18,434	2.2	9,574	2.1	11,411	1.9
Total	**543,653**	**100.0**	**645,023**	**100.0**	**838,118**	**100.0**	**462,383**	**100.0**	**606,177**	**100.0**

Note:

(1) Others under Americas mainly included Brazil.

(2) Others under Europe mainly included Netherlands and Belgium.

(3) Others under other countries/regions mainly included Taiwan of China, Singapore and Australia.

Benefiting from the continuous growth in our customers and sales channels, our revenue generated from both direct sales and distribution maintained steady growth during the Track Record Period. The following table sets forth a breakdown of our revenue by sales model for the periods indicated:

	For the year ended December 31,						For the seven months ended July 31,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)									
							(unaudited)			
Direct sales	404,168	74.3	481,266	74.6	630,368	75.2	343,136	74.2	455,798	75.2
Distribution	139,485	25.7	163,757	25.4	207,750	24.8	119,247	25.8	150,379	24.8
Total	**543,653**	**100.0**	**645,023**	**100.0**	**838,118**	**100.0**	**462,383**	**100.0**	**606,177**	**100.0**

The table below sets forth our gross profit and gross profit margin by business line for the periods indicated:

	For the year ended December 31,						For the seven months ended July 31,			
	2023		2024		2025		2025		2026	
	Gross Profit	Gross Profit Margin (%)	Gross Profit	Gross Profit Margin (%)	Gross Profit	Gross Profit Margin (%)	Gross Profit	Gross Profit Margin (%)	Gross Profit	Gross Profit Margin (%)
	(RMB in thousands, except for percentages)									
							(unaudited)			
Recombinant proteins	398,959	87.4	461,876	86.2	577,067	85.0	321,409	85.1	414,448	85.2
Antibodies	25,087	88.6	27,969	85.7	32,551	83.0	18,716	82.2	23,027	84.7
Analytical assay kits	14,702	77.2	17,587	78.5	26,887	72.4	12,749	70.1	21,759	71.6
Technical services	11,881	76.7	15,310	87.7	13,325	78.0	5,967	71.8	12,340	70.5
Others[(1)]	7,888	32.5	24,038	65.3	49,739	75.7	24,085	67.6	32,234	72.1
Total	**458,517**	**84.3**	**546,780**	**84.8**	**699,569**	**83.5**	**382,926**	**82.8**	**503,808**	**83.1**

Note:

(1) Others primarily included functional cell lines, cell culture media and other products and services.

Summary of Consolidated Statements of Financial Position

The following table sets forth a summary of our consolidated statements of financial position as of the dates indicated:

	As of December 31,			As of July 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Non-current assets	617,306	710,916	1,219,418	1,476,964
Current assets	2,196,192	2,203,691	1,790,212	1,636,676
Total assets	**2,813,498**	**2,914,607**	**3,009,630**	**3,113,640**
Non-current liabilities	40,133	25,026	158,040	222,501
Current liabilities	185,091	278,860	193,861	201,023
Total liabilities	**225,224**	**303,886**	**351,901**	**423,524**
Net current assets	**2,011,101**	**1,924,831**	**1,596,351**	**1,435,653**
Net assets	**2,588,274**	**2,610,721**	**2,657,729**	**2,690,116**

Our net current assets decreased by 4.3% from RMB2,011.1 million as of December 31, 2023 to RMB1,924.8 million as of December 31, 2024, primarily because the increase in our total current liabilities outpaced the increase in our total current assets. The increase in our total current assets was primarily attributable to (i) an increase in cash and cash equivalents, primarily due to positive cash flows from operating and investing activities; (ii) an increase in time deposits; (iii) an increase in restricted bank deposits; and (iv) an increase inventories in line with our increase in revenue, largely offset by a decrease in other financial assets primarily relating to the maturity of transferable large denomination certificates of deposits. The increase in our total current liabilities was primarily attributable to an increase in borrowings, which was mainly due to (i) short-term borrowings obtained to meet funding requirements; and (ii) an increase in other payables and accruals due to the increase in accrued employee benefits, partially offset by a decrease in trade and notes payables due to the acceptance of maturing notes.

Our net current assets decreased by 17.1% from RMB1,924.8 million as of December 31, 2024 to RMB1,596.4 million as of December 31, 2025, primarily because the decrease in our total current assets outpaced the decrease in our total current liabilities. The decrease in our total current assets was primarily attributable to a decrease in other financial assets primarily relating to the maturity of transferable large denomination certificates of deposits, partially offset by an increase in financial assets at fair value through profit or loss mainly because of purchasing wealth management products. The decrease in our total current liabilities was primarily attributable to a decrease in borrowings mainly due to repayment of bank borrowings, partially offset by an increase in trade and notes payables primarily relating to an increase in issued notes.

Our net current assets decreased by 10.1% from RMB1,596.4 million as of December 31, 2025 to RMB1,435.7 million as of July 31, 2026, primarily due to the decrease in our total current assets. The decrease in our total current assets was primarily attributable to the decrease in time deposits, partially offset by the increase in financial assets at fair value through profit or loss, both reflecting our adjusted strategy to invest in wealth management products for cash management purposes.

Our net assets increased from RMB2,588.3 million as of December 31, 2023 to RMB2,610.7 million as of December 31, 2024, primarily due to (i) profit for the year of RMB120.0 million, (ii) other comprehensive income for the year of RMB8.7 million, (iii) vesting of shares under restricted stock incentive plans of RMB7.1 million and (iv) share-based payment expenses of RMB6.4 million, partially offset by (i) dividend declared of RMB107.8 million and (ii) repurchase of shares of RMB12.0 million.

Our net assets increased from RMB2,610.7 million as of December 31, 2024 to RMB2,657.7 million as of December 31, 2025, primarily due to (i) the profit for the year of RMB164.8 million and (ii) share-based payment expenses of RMB11.6 million, partially offset by (i) dividend declared of RMB83.8 million, (ii) repurchase of shares of RMB23.9 million and (iii) transactions with non-controlling interests of RMB13.5 million.

Our net assets increased from RMB2,657.7 million as of December 31, 2025 to RMB2,690.1 million as of July 31, 2026, primarily due to (i) the profit for the period of RMB122.8 million, (ii) share-based payment expenses of RMB11.3 million, and (iii) vesting of shares under restricted stock incentive plans of RMB8.7 million, partially offset by (i) dividend declared of RMB100.3 million, and (ii) other comprehensive loss for the period of RMB10.1 million.

See "Financial Information — Description of Certain Key Items from Our Consolidated Statements of Financial Position."

Summary of Consolidated Statement of Cash Flows

The following table sets forth a summary of our cash flows for the periods indicated.

	For the year ended December 31,			For the seven months ended July 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Net cash flows generated from operating activities	61,031	26,419	265,479	118,324
Net cash flows (used in)/generated from investing activities	(41,152)	171,134	(229,885)	(3,009)
Net cash flows used in financing activities	(155,929)	(58,476)	(179,421)	(96,146)

	For the year ended December 31,			For the seven months ended July 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Net (decrease)/increase in cash and cash equivalents	(136,050)	139,077	(143,827)	19,169
Cash and cash equivalents at beginning of year/period	438,701	316,499	463,230	311,639
Effect of foreign exchange rate changes, net	13,848	7,654	(7,764)	(6,544)
Cash and cash equivalents at end of year/period	**316,499**	**463,230**	**311,639**	**324,264**

See "Financial Information — Liquidity and Capital Resources — Cash Flows."

Key Financial Ratios

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

	As of/for the year ended December 31,			As of/for the seven months ended July 31,
	2023	2024	2025	2026
Current ratio	11.9	7.9	9.2	8.1
Gearing ratio	2.5%	5.4%	3.3%	3.9%
Quick ratio	11.1	7.2	7.9	6.9
Return on equity	6.0%	4.8%	6.3%	4.6%
Return on assets	5.3%	4.2%	5.6%	4.0%

See "Financial Information — Key Financial Ratios."

LISTING ON THE CHINEXT MARKET

In October 2021, we completed the initial public offering and listing of our A Shares on the ChiNext Market (stock code: 301080), pursuant to which we issued an aggregate of 20 million A Shares, accounting for approximately 25% of our Company's share capital immediately following the A Share listing. Our Directors confirm that, and our PRC Legal Advisor is of the view that, during the Track Record Period and up to the Latest Practicable Date, we had no instances of material non-compliance with the rules of the ChiNext Market and other applicable securities laws and regulations of the PRC, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the **[REDACTED]** attention in relation to our compliance record on the ChiNext Market.

OUR CONTROLLING SHAREHOLDERS GROUP

As of the Latest Practicable Date, Mr. Chen was directly interested in 39,537,053 Shares, representing approximately 23.58% of the voting rights in our Company. Being (i) the general partner of, and holds 83.27% partnership interest in, Anyi ACRO, and (ii) the general partner of, and holds 2.03% partnership interest in, Anyi Baipujiale, Mr. Chen is therefore deemed to be interested in 13,383,622 Shares and 1,795,365 Shares owned by Anyi ACRO and Anyi Baipujiale, respectively. As of the Latest Practicable Date, Mr. Miao was directly interested in 14,633,249 Shares, representing

approximately 8.73% of the voting rights in our Company. Mr. Miao also holds 0.50% partnership interest as a limited partner in Anyi ACRO. By virtue of the Acting in Concert Agreement and Mr. Chen's role as the general partner of Anyi ACRO and Anyi Baipujiale, Mr. Chen, Mr. Miao, Anyi ACRO and Anyi Baipujiale constitute our Controlling Shareholders Group and are able to exercise an aggregate of approximately 41.36% of the voting rights in our Company as of the Latest Practicable Date. Immediately following the completion of the **[REDACTED]**, our Controlling Shareholders Group will be interested in a total of 69,349,289 Shares, representing approximately **[REDACTED]**% of the voting rights in our Company (assuming the **[REDACTED]** is not exercised and no additional Shares are issued pursuant to our Restricted A-Share Incentive Plans) or approximately **[REDACTED]**% of the voting rights in our Company (assuming the **[REDACTED]** is exercised in full and no additional Shares are issued pursuant to our Restricted A-Share Incentive Plans). Pursuant to the Acting in Concert Agreement, in the event of disagreements regarding significant operational matters of our Company between Mr. Chen and Mr. Miao, the opinion of Mr. Chen shall prevail and therefore, Mr. Chen is the actual controller of the Company pursuant to the ChiNext Market Listing Rules of the Shenzhen Stock Exchange (《深圳證券交易所創業板股票上市規則》) and Administrative Measures for the Takeover of Listed Companies (《上市公司收購管理辦法》). See "Relationship with Controlling Shareholders."

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the granting of the **[REDACTED]** of, and **[REDACTED]** our H Shares **[REDACTED]** pursuant to the **[REDACTED]** on the basis that we satisfy the profit test under Rule 8.05(1) of the Listing Rules.

[REDACTED] STATISTICS[(1)]

	Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]	Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]
[REDACTED] of our Shares upon completion of the **[REDACTED]**[(2)]	HK$**[REDACTED]**	HK$**[REDACTED]**
[REDACTED] of our H Shares upon completion of the **[REDACTED]**[(3)]	HK$**[REDACTED]**	HK$**[REDACTED]**
Unaudited **[REDACTED]** adjusted consolidated net tangible asset value per Share[(4)]	HK$**[REDACTED]**	HK$**[REDACTED]**

Notes:

(1) All statistics in this table are presented based on the assumption that the **[REDACTED]** is not exercised.

(2) The calculation of the **[REDACTED]** of our Shares is based on (i) **[REDACTED]** H Shares expected **[REDACTED]**; and (ii) 167,659,058 A Shares in issue excluding the 20,000 A Shares held by the Company as treasury shares with an average closing price of RMB107.13 (equivalent to approximately HK$124.61) per A Share as of five business days immediately preceding the Latest Practicable Date, representing in aggregate **[REDACTED]** Shares expected to be in issue immediately following the completion of the **[REDACTED]** (assuming no additional Shares are issued pursuant to our Restricted A-Share Incentive Plans).

(3) The calculation of the **[REDACTED]** is based on **[REDACTED]** H Shares expected to be in issue immediately following the completion of the **[REDACTED]**.

(4) The unaudited **[REDACTED]** adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as at July 31, 2026 is arrived at after the adjustments referred to in "Unaudited **[REDACTED]** Financial Information" in Appendix II to this document and on the basis that a total of **[REDACTED]** Shares (representing 167,679,058 Shares as at July 31, 2026 and **[REDACTED]**) were in issue assuming that the **[REDACTED]** had been completed on July 31, 2026. Considering the cumulative repurchase of 20,000 shares by the Company after July 31, 2026 and up to the Latest Practicable Date, resulting in a reduction of RMB 901,000 in net assets, the unaudited **[REDACTED]** adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as at July 31, 2026 would be RMB**[REDACTED]** (HK$**[REDACTED]**) and RMB**[REDACTED]** (HK$**[REDACTED]**), based on an **[REDACTED]** of HK$**[REDACTED]** and HK$**[REDACTED]** per Share, respectively.

DIVIDENDS

In 2023, 2024, 2025 and the seven months ended July 31, 2026, dividends in respect of the previous year of RMB120.0 million (RMB15 per 10 shares, tax inclusive), RMB107.8 million (RMB9 per 10 shares, tax inclusive), RMB83.8 million (aggregate RMB7 per 10 shares, comprising interim dividend of RMB3 per 10 shares and final dividend of RMB4 per 10 shares, tax inclusive) and RMB100.3 million (RMB6 per 10 shares, tax inclusive), respectively, which were approved by the annual general meetings of our Company. See "Financial Information — Dividends."

[REDACTED]

Our **[REDACTED]** mainly include professional fees, **[REDACTED]** commissions and other fees incurred in connection with the **[REDACTED]**. We estimate that our total **[REDACTED]** (including **[REDACTED]** commission) will be approximately HK$**[REDACTED]** million, which accounts for **[REDACTED]**% of the gross **[REDACTED]** from the **[REDACTED]** (assuming an **[REDACTED]** of HK$**[REDACTED]**, being the mid-point of the indicative **[REDACTED]** range between HK$**[REDACTED]** and HK$**[REDACTED]**, assuming that the **[REDACTED]** is not exercised and no additional Shares are issued pursuant to our Restricted A-Share Incentive Plans). Such **[REDACTED]** comprise **[REDACTED]** expenses of RMB**[REDACTED]** million and **[REDACTED]** expenses of RMB**[REDACTED]** million, respectively. The **[REDACTED]** expenses consist of (i) RMB**[REDACTED]** million of fees and expenses of legal advisors, reporting accountants and the Sole Sponsor, and (ii) RMB**[REDACTED]** million of other fees and expenses, which primarily represent fees and expenses for other professional services. During the Track Record Period, **[REDACTED]** of RMB**[REDACTED]** million were charged to our consolidated statements of comprehensive income as general and administrative expenses, and RMB**[REDACTED]** million were recognized as deferred **[REDACTED]** as of July 31, 2026, which are expected to be deducted from equity upon **[REDACTED]** as they are directly attributable to the **[REDACTED]** of the H Shares to the public. The estimated **[REDACTED]** of approximately RMB**[REDACTED]** million are expected to be charged to our consolidated statements of comprehensive income and approximately RMB**[REDACTED]** million are expected to be deducted from equity upon **[REDACTED]**. The **[REDACTED]** above were the best estimate as of the Latest Practicable Date and are for reference only. The actual amount may differ from this estimate.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Subsequent to the Track Record Period, we have continued to witness growth in our business operations. Since August 1, 2026 and up to the Latest Practicable Date, we secured orders worth around RMB172.2 million, representing an increase of 31.8% compared with the value of orders obtained in the corresponding period of 2025.

Our Directors have confirmed that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since July 31, 2026, being the end date of our latest consolidated financial statements, and there has been no event since July 31, 2026 that would materially affect the information shown in the Accountants' Report in Appendix I to this document.

FUTURE PLANS AND USE OF [REDACTED]

Based on an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, we estimate that we will receive net **[REDACTED]** of approximately HK$**[REDACTED]** million from the **[REDACTED]** after deducting the **[REDACTED]** commission and other estimated expenses in connection with the **[REDACTED]**, assuming that the **[REDACTED]** is not exercised and no additional Shares are issued pursuant to our Restricted A-Share Incentive Plans. In line with our strategies, we intend to use the **[REDACTED]** from the **[REDACTED]** for the purposes and in the amounts set forth below:

- approximately **[REDACTED]**%, or HK$**[REDACTED]** million, is expected to be used for establishing automated high-throughput wet-lab facilities;

- approximately **[REDACTED]**%, or HK$**[REDACTED]** million, is expected to be used for expanding our life science tools product portfolio and further enhancing our R&D capabilities;
- approximately **[REDACTED]**%, or HK$**[REDACTED]** million, is expected to be used for the expansion of our international marketing and sales network;
- approximately **[REDACTED]**%, or HK$**[REDACTED]** million, is expected to be used for enhancing our global production and delivery capabilities;
- approximately **[REDACTED]**%, or HK$**[REDACTED]** million, is expected to be used for pursuing strategic acquisition and investment opportunities; and
- approximately **[REDACTED]**%, or HK$**[REDACTED]** million, is expected to be used for working capital and general corporate purposes.

LEGAL PROCEEDINGS AND NON-COMPLIANCE

From time to time, we may become involved in legal proceedings in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, save as disclosed in "Business — Legal Proceedings and Compliance — Legal Proceeding," we had not been and were not a party to any material legal, arbitral or administrative proceedings. During the Track Record Period and up to the Latest Practicable Date, we were not 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 and results of operations.

Our Directors are of the view that, the incidents described in "Business — Legal Proceedings and Compliance" are not likely to have a material adverse effect on our business, financial condition or results of operations. During the Track Record Period and up to the Latest Practicable Date, we did not experience any non-compliance with the laws or regulations, that individually or in the aggregate, would have a material adverse effect on our business, or reflect negatively on the ability or propensity of our Company, our Directors or our senior management, to operate our business in a compliant manner. According to our PRC Legal Advisor, U.S. Legal Advisor, Swiss Legal Advisor, South Korean Legal Advisor, Germany Legal Advisor and the U.K. Legal Advisor, we had complied with applicable laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date.

RISK FACTORS

Our operations involve certain risks and uncertainties, some of which are beyond our control and may affect your decision to **[REDACTED]** in us and/or the value of your **[REDACTED]**. See "Risk Factors" in this document for details of our risk factors, which we strongly urge you to read in full before making an **[REDACTED]** in our H Shares. Some of the major risks we face include: (i) if we fail to expand our product offerings, our business and results of operations may be adversely impacted; (ii) if we fail to sustain technological innovation and keep up with the technological upgrades and iterations in a timely manner, we may face delay or failure in bringing competitive or new products and services to the market; (iii) we are dependent on our customers' demand for and spending on our products and services; (iv) we face intense market competition and the industry may undergo unforeseen changes under rapid development; and (v) tensions and trade frictions between the United States and China could materially and adversely affect our business and results of operations.

DEFINITIONS

In this document, unless the context otherwise requires, the following terms and expressions have the meanings set forth below.

"2022 Restricted A-Share Incentive Plan"	our restricted A-share incentive plan approved by our Shareholders on May 10, 2022
"2023 Restricted A-Share Incentive Plan"	our restricted A-share incentive plan approved by our Shareholders on October 9, 2023
"2025 Restricted A-Share Incentive Plan"	our restricted A-share incentive plan approved by our Shareholders on June 12, 2025
"A Share(s)"	the domestic share(s) of our Company, with a nominal value of RMB1.00 each, which is/are listed on the ChiNext Market and traded in Renminbi
"Accountants' Report"	the accountants' report of our Group for the Track Record Period as set out in Appendix I to this document
"Acting in Concert Agreement"	the acting in concert agreement entered into by Mr. Chen and Mr. Miao on December 12, 2016, the details of which are set out in the section headed "Relationship with Controlling Shareholders" in this document
"ACRO Consulting"	Beijing ACROBiotechnology Consulting Co., Ltd.* (北京百普賽斯生物技術諮詢有限公司), the former name of ACRO Limited, our Company's predecessor, a limited liability company established in the PRC on July 22, 2010
"ACRO Diagnostics"	ACRO Diagnostics Co., Ltd.* (百斯醫學診斷科技(北京)有限公司), a limited liability company established in the PRC on January 14, 2021 and a wholly owned subsidiary of our Company
"ACRO Limited"	Beijing ACROBiotechnology Co., Ltd.* (北京百普賽斯生物科技有限公司), a limited liability company established in the PRC on July 22, 2010, our Company's predecessor, formerly known as Beijing ACROBiotechnology Consulting Co., Ltd.* (北京百普賽斯生物技術諮詢有限公司)
"ACROBio AG"	ACROBiosystems AG, a limited liability company incorporated in Switzerland on January 24, 2022 and a wholly owned subsidiary of our Company
"ACROBio Corp"	ACROBiosystems Corp., a limited liability incorporated in British Virgin Islands with limited liability on May 27, 2022 and a wholly owned subsidiary of our Company
"ACROBio HK"	ACROBiosystems HongKong Limited (百普賽斯(香港)有限公司), a limited liability company incorporated in Hong Kong on December 28, 2016 and a wholly owned subsidiary of our Company

"ACROBio Inc"	ACROBio Inc., a limited liability company incorporated in Korea on January 22, 2024 and a wholly owned subsidiary of our Company
"ACROBio Ltd"	ACROBiosystems Limited, a limited liability company incorporated in the England and Wales on September 30, 2021 and a wholly owned subsidiary of our Company
"ACROBio SG"	FORSEEN BIOSCIENCE PTE. LTD., a limited liability company incorporated in Singapore on September 9, 2024 and a wholly owned subsidiary of our Company
"ACROBio US"	ACROBiosystems Inc., a limited liability company incorporated in the United States on June 11, 2013 and a wholly owned subsidiary of our Company
"affiliate(s)"	with respect to any specific person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong
"Anyi ACRO"	Anyi AcroEnterprise Management Consulting Partnership (Limited Partnership)* (安義百普賽斯企業管理諮詢合夥企業(有限合夥)), a limited liability company established in the PRC on December 20, 2016, with Mr. Chen acting as the general partner
"Anyi Baipujiale"	Anyi Baipujiale Enterprise Management Consulting Partnership (Limited Partnership)* (安義百普嘉樂企業管理諮詢合夥企業(有限合夥)), a limited liability company established in the PRC on December 3, 2019, with Mr. Chen acting as the general partner
"Articles" or "Articles of Association"	the articles of association of our Company, which shall become effective upon **[REDACTED]**, as amended from time to time, a summary of which is contained in Appendix V to this document
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board"	the board of directors of our Company
"business day"	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business
"CAGR"	compound annual growth rate, which is a financial metric used to measure the mean annual growth rate of an investment, revenue, or any value over a specified time period.

[REDACTED]

"Chair"	the chair of our Board
"China", "PRC" or "Chinese Mainland"	the People's Republic of China, excluding, for the purposes of this document only, the regions of Hong Kong, Macau Special Administrative Region and Taiwan of the PRC, except where the content or context requires otherwise
"ChiNext Market"	Shenzhen Stock Exchange ChiNext Market
"Chuanshi Medical"	Beijing Chuanshi Medical Biotechnology Co., Ltd.* (北京椽石醫學生物科技有限公司), a limited liability company established in the PRC on May 14, 2024 and a wholly owned subsidiary of our Company
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies (WUMP) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company Law" or "PRC Company Law"	the Company Law of the PRC (《中華人民共和國公司法》) as amended, supplemented or otherwise modified from time to time
"Company" or "our Company"	ACROBIOSYSTEMS CO., LTD (北京百普賽斯生物科技股份有限公司), a joint stock company with limited liability established in the PRC on June 9, 2020 and listed on the ChiNext Market on October 18, 2021 (stock code: 301080), or where the context requires (as the case may be), its predecessor, ACRO Limited, a limited liability company established in the PRC on July 22, 2010
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholder(s)" or "Controlling Shareholders Group"	has the meaning ascribed to it in the Listing Rules and unless the context requires otherwise, refers to a group of the controlling shareholders of our Company, namely Mr. Chen, Mr. Miao, Anyi ACRO and Anyi Baipujiale

"core connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of our Company
"EIT"	enterprise income tax
"EIT Law"	the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得税法), as amended, supplemented or otherwise modified from time to time
"Entity List"	the list maintained by the U.S. Department of Commerce identifying foreign entities believed to be involved, or pose a significant risk of being or becoming involved, in activities contrary to the national security or foreign policy interests of the United States and which are prohibited from acquiring some or all items subject to the U.S. Export Administration Regulations
"Hong Kong Legal Advisor"	Ms. Queenie W.S. Ng, the legal advisor of our Company as to Hong Kong laws in connection with the **[REDACTED]**
	[REDACTED]
"Extreme Conditions"	extreme conditions including but not limited to serious disruption of public transport services, extensive flooding, major landslides or large-scale power outage after super typhoons as announced by the government of Hong Kong
	[REDACTED]
"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a market research and consulting company, which is an Independent Third Party
"Frost & Sullivan Report"	an independent market research report commissioned by our Company on the life science tool industry and biological reagent industry prepared by Frost & Sullivan, as referred to in the section headed "Industry Overview" in this document

[REDACTED]

"Germany Legal Advisor "	Thümmel Schütze, the legal advisor of our Company as to Germany laws in connection with the **[REDACTED]**

[REDACTED]

"Group," "our Group," "the Group," "we," "us," or "our"	our Company and its subsidiaries from time to time, or, where the context so requires in respect of the period before our Company became the holding company of our present subsidiaries, the entities or the predecessors of the present subsidiaries (as the case may be) which carried on the business of the present Group at the relevant time
"Guide for New Listing Applicants"	the Guide for New Listing Applicants issued by the Hong Kong Stock Exchange effective from January 1, 2024 (as amended, supplemented or otherwise modified from time to time)
"Hangzhou Jushang Medical"	Hangzhou Jushang Medical Equity Investment Fund Partnership (Limited Partnership)* (杭州聚上醫股權投資基金合夥企業(有限合夥)), the former name of Lishui Jushangyi Equity Investment Fund Partnership (Limited Partnership)* (麗水聚上醫股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on July 26, 2016
"Hangzhou Taopu Technology"	Hangzhou Taopu Technology Co., Ltd.* (杭州韜圃科技有限公司), a company established under the laws of the PRC with limited liability on October 28, 2019. It is wholly owned by our Company and a wholly owned subsidiary of our Group
"H Share(s)"	overseas-**[REDACTED]**, foreign-invested, ordinary Shares issued by us with a nominal value of RMB1.00 each in the share capital of our Company, which are to be **[REDACTED]** for and **[REDACTED]** in Hong Kong dollars and for which an application has been made for **[REDACTED]** and permission to **[REDACTED]** on the Stock Exchange

[REDACTED]

"HK$" or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong

[REDACTED]

[REDACTED]

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

[REDACTED]

"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited

[REDACTED]

"HTS Code"	Harmonized Tariff Schedule code, the code is used to classify and define internationally traded goods
"IAS"	International Accounting Standards
"IFRS"	IFRS Accounting Standards issued by the International Accounting Standards Board

"Independent Third Party(ies)"	person(s) or company(ies) and their respective ultimate beneficial owner(s), who/which, to the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, is/are not connected (within the meaning of the Listing Rules) with our Company

[REDACTED]

"International Sanctions Counsel"	King & Wood, our legal advisor as to International Sanctions Laws in connection with the **[REDACTED]**

[REDACTED]

"Kentuo Investment"	Kentuo (Hangzhou) Venture Investment Co., Ltd.* (墾拓(杭州)企業管理有限公司), a limited liability company established in the PRC on June 6, 2022 and a wholly owned subsidiary of our Company
"Latest Practicable Date"	September 22, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication

[REDACTED]

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange
"MOF"	the Ministry of Finance of the PRC (中華人民共和國財政部)
"MOFCOM"	the Ministry of Commerce of the PRC (中華人民共和國商務部)
"Mr. Chen"	Mr. Chen Yiding (陳宜頂), one of our founders, an executive Director and a member of the Controlling Shareholders Group
"Mr. Miao"	Mr. Miao Jingyun (苗景贇), one of our founders, an executive Director and a member of the Controlling Shareholders Group
"Nanjing ACROBio"	Nanjing ACROBiosystems Biotech Co., Ltd.* (南京百普賽斯生物科技有限公司), a limited liability company established in the PRC on April 2, 2021 and a wholly owned subsidiary of our Company
"Nanjing Gaoke Xinjun"	Nanjing Gaoke Xinjun Growth Phase I Equity Investment Partnership (Limited Partnership)* (南京高科新浚成長一期股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on November 11, 2015
"Ningbo Lanting Vision"	Ningbo Lanting Vision Investment Partnership (Limited Partnership)* (寧波瀾亭視聆投資合夥企業(有限合夥)), a limited partnership established in the PRC on August 2, 2016
"Nomination Committee"	the nomination committee of the Board
"NPC"	the National People's Congress of the PRC (中華人民共和國全國人民代表大會)
"OFAC"	U.S. Department of the Treasury's Office of Foreign Assets Control

[REDACTED]

"PBOC"	the People's Bank of China (中國人民銀行)
"PRC Legal Advisor"	Llinks Law Offices, the legal advisors of our Company as to PRC laws in connection with the **[REDACTED]**

[REDACTED]

"Regulation S"	Regulation S under the U.S. Securities Act
"Relevant Jurisdiction(s)"	has the meaning ascribed to it under Chapter 4.4 of the Guide, and means any jurisdiction that is relevant to the listing applicant and has sanctions related laws or regulations restricting, among other things, its nationals and/or entities which are incorporated or located in that jurisdiction from directly or indirectly making assets or services available to or otherwise dealing in assets of certain countries, governments, persons or entities targeted by such law or regulation

"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"Restricted A-Share Incentive Plans"	the 2022 Restricted A-share Incentive Plan, the 2023 Restricted A-share Incentive Plan and the 2025 Restricted A-share Incentive Plan, the principal terms of which are set out in "Statutory and General Information – D. Restricted A-Share Incentive Plans" in Appendix VI to this document
"Reverse CFIUS EO"	Executive Order on Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern
"RMB"	Renminbi, the lawful currency of the PRC
"Rongfeng Kaiyuan Tianyi"	Qingdao Rongfeng Kaiyuan Tianyi Equity Investment Partnership (Limited Partnership)* (青島融豐開元天一股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on November 1, 2019 and deregistered on September 11, 2024
"Rongfeng Kaiyuan Zhonghe"	Qingdao Rongfeng Kaiyuan Zhonghe Equity Investment Partnership (Limited Partnership)* (青島融豐開元中和股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on December 10, 2019 and deregistered on August 22, 2024
"R&D"	research and development
"Sanctioned Country(ies)"	means any country or territory subject to a general and comprehensive export, import, financial or investment embargo under sanctions related law or regulation of the Relevant Jurisdiction
"Sanctioned Target"	means any person or entity (i) designated on any list of targeted persons or entities issued under the sanctions-related law or regulation of a Relevant Jurisdiction; (ii) that is, or is owned or controlled by, a government of a Sanctioned Country; or (iii) that is the target of sanctions under the law or regulation of a Relevant Jurisdiction because of a relationship of ownership, control, or agency with a person or entity described in (i) or (ii)
"Sanctioned Trader"	means any person or entity that does a material portion (10% or more) of its business with Sanctioned Targets and Sanctioned Country entities or persons
"South Korean Legal Advisor"	D&A LLC, the legal advisor of our Company as to South Korean laws in connection with the **[REDACTED]**
"SCNPC"	the Standing Committee of the National People's Congress (全國人民代表大會常務委員會)

"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) with nominal value of RMB1.00 each in the share capital of our Company, comprising our A Shares and our H Shares
"Shareholder(s)"	holder(s) of Shares
"Shenzhen-Hong Kong Stock Connect"	a securities trading and clearing links program developed by the Hong Kong Stock Exchange, Shenzhen Stock Exchange, HKSCC and China Securities Depository and Clearing Corporation Limited for mutual market access between Hong Kong and Shenzhen
"Shenzhen ACROBio"	Shenzhen ACROBiosystems Biotech Co., Ltd.* (深圳百普賽斯生物科技有限公司), a limited partnership established in the PRC on July 27, 2020 and a wholly owned subsidiary of our Company
"Shenzhen Sharing"	Shenzhen Sharing Precision Medicine Investment Partnership (Limited Partnership)* (深圳市分享精準醫療投資合夥企業(有限合夥)), a limited partnership established in the PRC on March 23, 2016
"Shenzhen Stock Exchange"	the Shenzhen Stock Exchange (深圳證券交易所)
"Shuntian Xinrong"	Shuntian Xinrong International Investment (Beijing) Co., Ltd.* (順天鑫融國際投資(北京)有限公司), a limited liability company established in the PRC on November 13, 2014
"Sole Sponsor" or "**[REDACTED]**"	China Merchants Securities (HK) Co., Limited
"sq.m."	square meters
	[REDACTED]
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"Strategy Committee"	the strategy committee of the Board
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto in section 15 of the Companies Ordinance
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules

"Suzhou ACROBio"	ACROBiosystems (Suzhou) Biotech Co., Ltd.* (百普賽斯(蘇州)生物科技有限公司), a limited liability company established in the PRC on December 24, 2021 and a wholly owned subsidiary of our Company
"Suzhou XWX"	Suzhou Xinweixi Biopharmaceutical Co., Ltd.* (蘇州新微溪生物醫藥有限公司), a limited liability company established in the PRC on May 19, 2020 and a wholly owned subsidiary of our Company
"Swiss Legal Advisor"	Kellerhals Carrard Bern KlG, the legal advisor of our Company as to Swiss laws in connection with the **[REDACTED]**
"Tibet Tongchuang"	Tibet Tongchuang Weiye Venture Capital Co., Ltd.* (西藏同創偉業創業投資有限公司), a limited liability company established in the PRC on November 11, 2016
"Track Record Period"	the period consisting of the years ended December 31, 2023, 2024 and 2025 and the seven months ended July 31, 2026
"Transfer Pricing Consultant"	Ernst & Young (China) Advisory Limited Beijing Branch Office, the transfer pricing consultant of our Company in connection with the **[REDACTED]**
"U.K. Legal Advisor"	Raymond Legal, the legal advisor of our Company as to U.K. laws in connection with the **[REDACTED]**

[REDACTED]

"Unverified List"	a trade restriction list published by the United States Department of Commerce's Bureau of Industry and Security (BIS), consisting of certain foreign persons, entities, or governments
"U.S. Legal Advisor"	Morgan, Lewis & Bockius LLP, the legal advisor of our Company as to U.S. laws in connection with the **[REDACTED]**
"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"U.S. Securities Act"	the United States Securities Act 1933, as amended, supplemented or otherwise modified from time to time
"US$" or "U.S. dollar"	United States dollars, the lawful currency of the United States

[REDACTED]

"VAT"	Value-added tax
"Xinchang Puhua"	Xinchang Puhua Jingxinguzhou Health Management Partnership (Limited Partnership)* (新昌普華京新固周健康管理合夥企業(有限合夥)), a limited partnership established in the PRC on January 28, 2016
" % "	per cent

Certain amounts and percentage figures included in this document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

In this document, unless otherwise stated, certain amounts denominated in RMB have been translated into Hong Kong dollars or U.S. dollars at an exchange rate of RMB0.8597 = HK$1 or RMB6.7459 = US$1, respectively, for illustration purpose only. Such conversions shall not be construed as representations that amounts in RMB were or could have been or could be converted into Hong Kong dollars or U.S. dollars at such rates or any other exchange rates on such date or any other date.

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

Unless otherwise specified, all relevant information in this document assumes that the **[REDACTED]** *is not exercised.*

GLOSSARY OF TECHNICAL TERMS

In this document, unless the context otherwise requires, explanations and definitions of certain terms used in this document in connection with our Group and our business shall have the meanings set out below. The terms and their meanings may not correspond to standard industry meaning or usage of these terms.

"AI"	Artificial intelligence.
"Analytical assay kits"	Pre-packaged sets of chemicals for specific laboratory tests or analyses.
"Antibody"	A Y-shaped protein produced by the immune system's B cells that recognizes and binds to a specific antigen, helping to neutralize or eliminate pathogens.
"ADC"	Antibody-drug conjugate, a type of targeted cancer therapy that combines the specificity of antibodies with the potency of cytotoxic drugs.
"B-cell"	A lymphocyte that generates antibodies to fight infections and drive humoral immunity.
"Biologics drug"	A medication that is derived from living organisms to treat, prevent or cure diseases.
"Biological reagent"	Any substance or compound used in a biological experiment or process to cause a chemical reaction, detect a biological component, or facilitate analysis.
"Biopharmaceutical"	A medicinal product manufactured in, extracted from, or semi-synthesized from biological sources, such as cells or microorganisms, often using recombinant DNA technology.
"BsAb"	Biospecific antibody, engineered molecules designed to target two different epitopes or antigens.
"CAR"	Chimeric antigen receptor, a receptor that engineers immune cells to recognize and attack specific cancer cells.
"CAR-NK"	A cell that expresses CAR to recognize and eliminate targeted cancer cells via NK-mediated cytotoxicity.
"CAR-T"	A T-cell that expresses a CAR to specifically identify and destroy cancer cells.
"CGT"	Cell and gene therapy, an approach to achieve disease modifying or potentially curative outcomes.
"Cell culture media"	Specially formulated nutrient solutions used to support the growth, survival and proliferation of cells outside their natural environment.

GLOSSARY OF TECHNICAL TERMS

"Cell line"	A population of cells that originates from a single cell and is grown in vitro under controlled conditions.
"Central nervous system"	A body system that controls bodily functions and processes sensory and motor information.
"cGMP"	Current Good Manufacturing Practice, a standard in regulating safe, quality production of drugs and biologics.
"CMC"	Chemistry, Manufacturing and Controls, a term referring to the data and processes related to the manufacturing and quality control of a drug product, which form a critical part of a regulatory submission.
"Chromatography"	A laboratory technique for the separation of a mixture. In vaccine manufacturing, it is a critical step for purifying antigens from other cellular components to achieve high purity.
"Clinical trial"	A research study conducted in human subjects to evaluate the safety, immunogenicity and efficacy of a new vaccine or drug candidate.
"CDMO"	Contract development and manufacturing organizations, a company that provides outsourced services for pharmaceutical and biotechnology firms.
"CRO"	Contract Research Organization, a company that provides support to the pharmaceutical and biotechnology industries in the form of research services on a contract basis.
"customer retention rate"	equals to the number of total customers at the end of the relevant year less the number of new customers added during such year, divided by the number of total customers at the end of the preceding year, and then multiplied by 100%
"DM1"	A microtubulin inhibitor, potentially conjugated with monoclonal antibodies to form ADCs. DM1 as the toxin component of ADCs, exhibits strong anti-tumor activity by inhibiting cell division and inducing apoptosis.
"DNA"	Deoxyribonucleic acid, a nucleic acid that carries genetic information in all living organisms and many viruses.
"Enzyme"	A kind of proteins that speed up chemical reactions in living organisms without being consumed in the process.
"ELISA"	Enzyme-linked immunosorbent assay, a biochemical technique used to detect and quantify specific proteins, antibodies, antigens, or hormones in a sample.
"FDA"	U.S. Food and Drug Administration.

GLOSSARY OF TECHNICAL TERMS

"FMC63"	A monoclonal antibody that targets B-lymphocyte antigen CD19 and forms the scFv core of CD19 CAR-T therapies.
"Formulation"	The process in which the active drug substance is combined with other chemical substances (excipients), like adjuvants and stabilizers, to produce the final medicinal product.
"Gene editing"	A biotechnology technique that allows scientists to modify the DNA of an organism by adding, removing, or altering specific genetic sequences.
"Good clinical practices" or "GCPs"	A set of standards that govern the ethical and scientific conduct of human clinical trials worldwide.
"Good Manufacturing Practice" or "GMP"	A system of regulations and quality assurance measures that aims to ensure that pharmaceutical products are consistently produced and controlled to the quality standards appropriate for their intended use.
"GMP-grade"	A grade for biological materials, reagents and raw materials that are manufactured and subject to full-process quality control in strict accordance with the GMP system, representing the highest non-pharmaceutical grade supporting clinical applications and commercial production.
"Immunotherapy"	A type of medical treatment that uses the body's own immune system to fight diseases, most commonly cancer, but also autoimmune disorders and infections.
"in vivo CAR"	An approach to cancer treatment where a patient's own immune cells (like T-cells) are genetically engineered to fight cancer inside their body, rather than extracting, modifying in a lab and reinfusing them (ex vivo).
"ISO"	International Organization for Standardization.
"L"	Liter, a metric unit of volume.
"mAb" or "monoclonal antibody"	Biologics produced from a single antibody clone that specifically bind to target molecules, enabling precise therapeutic applications, particularly in cancer treatment and autoimmune diseases. They are engineered to provide high specificity and reduce the risk of immune rejection.
"MDSAP"	Medical Device Single Audit Program, which allows an MDSAP recognized auditing organization to conduct a single regulatory audit of a medical device manufacturer that satisfies the relevant requirements of the regulatory authorities participating in the program.
"mg"	milligrams

GLOSSARY OF TECHNICAL TERMS

"Nature"	A British weekly international scientific journal publishing peer-reviewed research across the natural sciences, including biology, physics, chemistry, the earth sciences and related interdisciplinary fields.
"NK"	A type of white blood cell crucial to the innate immune system that quickly identifies and destroys virus-infected cells, tumor cells and other foreign invaders without prior sensitization.
"Nucleic acid"	A class of biological macromolecules that store and transmit genetic information in living organisms.
"Preclinical"	The stage of research that begins before clinical trials, during which important feasibility, iterative testing and drug safety data are collected, typically in laboratory and animal studies.
"Recombinant proteins"	Artificially produced proteins created through genetic engineering, using cells programmed with recombinant DNA.
"RNA"	Ribonucleic acid, which is a polymeric molecule that is essential for most biological functions.
"Rx-360"	A global pharmaceutical supply chain consortium focused on quality, integrity and security.
"SKU"	Stock Keeping Unit, a code that uniquely identifies a distinct product variant for inventory management.
"T-cell"	A type of white blood cell that plays a central role in adaptive immune response s against pathogens and abnormal cells.
"TCR-T"	A cell therapy that engineers T cells with modified T-cell receptors to target specific cancer antigens.
"Therapeutic modalities"	Distinct methods or approaches used to treat diseases or medical conditions.
"TIL"	Tumor-Infiltrating Lymphocytes, immune cells that have traveled from the bloodstream into a patient's tumor to attack cancer cells.
"Vaccine"	A biological preparation that provides active acquired immunity to a particular infectious disease by stimulating the body's immune system.
"XDC"	X-drug conjugates, a class of drug conjugates composed of a targeting molecule, a linker and a cytotoxic payload, where X denotes the carrier, D the drug and C the conjugate.

FORWARD-LOOKING STATEMENTS

This document contains certain forward-looking statements relating to our plans, objectives, beliefs, expectations, predictions and intentions, which are not historical facts and may not represent our overall performance for the periods of time to which such statements relate. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this document.

The risks, uncertainties and other factors facing the Company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our business operations and prospect;
- our business strategies, objectives and goals, our plans to achieve these strategies and our ability to implement such strategies, plans, objectives and goals;
- our expectations regarding the market demand for our products and services;
- changes to the political and regulatory environment in the industry and markets in which we operate;
- changes in competitive conditions and our ability to compete under these conditions;

Additional factors that could cause actual performance or achievement to differ materially include, but are not limited to, those discussed in "Risk Factors" and elsewhere in this document. In some cases, we use the words "aim," "anticipate," "believe," "can," "continue," "could," "estimate," "expect," "going forward," "intend," "ought to," "may," "might," "plan," "potential," "predict," "project," "seek," "should," "will," "would," and similar expressions to identify forward-looking statements.

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

You should carefully consider all of the information in this document, including the risks and uncertainties described below before making an **[REDACTED]** *in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the* **[REDACTED]** *of our H Shares could decline, and you may lose all or part of your* **[REDACTED]**. *These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given was as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in "Forward-looking Statements" in this document.*

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

If we fail to expand our product offerings, our business and results of operations may be adversely impacted.

Our future success in part depends on our ability to develop and introduce new products and services that integrate new technological advances. We plan to continue to strengthen our R&D capabilities to develop or acquire technologies that will allow us to expand the scope of our products and services. To expand our product portfolio and achieve diversified revenue streams, we have been actively working towards new product lines, such as analytical assay kits and functional cell lines. Successful product development and upgrade requires us to design products and services that differentiate ourselves from those of our competitors, and quickly and cost-effectively adapt to evolving technological advancements, customer demands, market conditions and industry trends. Failure in any of these areas could materially and adversely affect our future business, operational results, financial condition and prospects.

If we fail to sustain technological innovation and keep up with the technological upgrades and iterations in a timely manner, we may face delay or failure in bringing competitive or new products and services to the market.

Our future success relies on our ability to promptly adapt to technological advancements. To sustain our position in the biological reagents industry, we must consistently recruit R&D talent, conduct pioneering research, refine and establish new technology platforms and upgrade our experimental equipment. Any failure to do so, or to respond swiftly to evolving technological developments, could jeopardize our market position. To maintain our competitive edge, we require significant capital investments, optimization of development and manufacturing processes and effective cost management. We need to hire, train and retain essential personnel, secure necessary regulatory approvals and enhance customer awareness and acceptance. Timely delivery of high-quality products and services, competitive pricing and the integration of customer feedback into our business strategies are essential.

We are dependent on our customers' demand for and spending on our products and services.

The success of our business partially depends on the demand of our customers. If we fail to update our product portfolio to meet customers' evolving demand in a timely manner and allocate R&D resources toward faster-growing segments, certain of our existing products may progressively lose market relevance. As a result, our market share, revenue and profitability may be adversely affected. Our customers' willingness and ability to purchase our products and services are also subject to, among others, the continued success of their own businesses and financial performance, changes in their available resources, their spending priorities, their budgetary policies and practices, their product development needs and R&D requirements and their need to develop new products or projects. Any

delay, non-approval or lack of demand for our customers' products may have a material consequential impact on our business. As a result, we may be required to reallocate our internal resources, a decision that could cause delays in our production and result in lower-than-expected revenue.

We face intense market competition and the industry may undergo unforeseen changes under rapid development.

We currently face and will continue to face significant competition from other biological reagent providers and other similar biotechnology companies. Our competitors may enjoy several competitive advantages over us, including, but not limited to, better brand recognition, more financial resources, longer operating history, broader product application, broader product offerings, stronger R&D capabilities, larger customer base and stronger relationship with suppliers. We cannot assure that we will be successful in the face of increasing competition from the products and services provided by our existing competitors or new companies entering our markets or those developed by our customers internally. In addition, our competitors may utilize new technologies and innovations that currently or in the future will enable them to produce competitive products and services or offer comparable services with greater capabilities or at lower costs than us. Any failure by us to compete effectively against our competitors could materially and adversely affect our business, financial condition and results of operations.

Tensions and trade frictions between United States and China could materially and adversely affect our business and results of operations.

The escalating geopolitical tensions and trade frictions between the United States and China may materially and adversely affect our business operations. As part of our global operation strategy, we have localized R&D and sales teams in the United States and has an established U.S. subsidiary. In 2023, 2024, 2025 and the seven months ended July 31, 2026, our revenue from sales to customers in the United States accounted for 43.6%, 42.6%, 40.1% and 38.2% of our total revenue, respectively. We are directly exposed to regulatory, trade and operational uncertainties arising from the evolving bilateral relationship. For example, beginning in April 2025, the U.S. imposed substantially higher tariffs on products from its trading partners, including higher tariffs on products from China. Although the trade negotiations between China and the United States on implementing these additional tariffs are ongoing, the basic tariffs are still higher than those previously in place. In addition, in response to the higher tariffs announced by the United States, China announced multiple rounds of retaliatory tariffs and other countermeasures. This trade tension, particularly the tensions between China and the United States, could intensify and last for an extended period. As a result, the global trade patterns and economic growth could be materially and adversely affected, which could harm our business prospects and results of operations.

The U.S. government has implemented and may continue to implement, export controls, tariffs or restrictions on biotechnology products, research materials, or data transfers involving Chinese entities. Such measures could affect our product pricing strategy, undermine the competitiveness of our products in the United States, or delay the delivery of critical raw materials or products. In addition, heightened scrutiny of Chinese companies operating in the U.S. biotechnology-related sector may increase our compliance costs, complicate our collaboration processes, or constrain our ability to expand our U.S. operations.

Our global operations expose us to operational, regulatory, geopolitical and compliance risks across multiple jurisdictions and our business, financial condition and results of operations may be materially and adversely affected by international policies, export controls and economic sanctions.

We operate through subsidiaries and sales channels in multiple jurisdictions and we sell our products and services to customers worldwide. In 2023, 2024, 2025 and the seven months ended July 31, 2025 and 2026, our revenue from sales to customers outside the Chinese Mainland accounted for 65.9%, 66.5%, 63.8%, 66.8% and 60.8% of our total revenue, respectively. As of the Latest Practicable Date, we had overseas subsidiaries in the United States, Switzerland, Germany, the United Kingdom, Japan, Hong Kong, Singapore and Korea. Any failure to anticipate or respond to regulatory changes, market shifts or operational complexities in these jurisdictions may disrupt our business and increase our costs. Operating on a global basis also exposes us to geopolitical, macroeconomic and compliance risks. Trade policy changes, sanctions, export control measures, customs requirements and data privacy laws may create obstacles to our cross-border activities. If we cannot effectively manage these global risks, our business, financial condition and results of operations may be materially and adversely affected. Beyond the regulatory and operational challenges, our global footprint requires us to manage a complex supply chain, diverse customer base and internationally sourced talent pool. These factors collectively increase the complexity of our global operations, and if we fail to manage them effectively, our business performance and financial results may be materially and adversely affected.

In addition, our global operations subject us to various sanctions and export controls, tariffs and U.S. outbound investment review regulations that may be applicable to us. The United States and other jurisdictions have implemented various trade measures, including but not limited to tariffs, economic sanctions and trade restrictions, which directly or indirectly affect companies based in certain jurisdictions. As for the U.S. tariffs, the United States is currently adjusting its tariff measures worldwide, including Section 301 tariffs, Section 232 tariffs and Section 301 forced labor tariffs. As advised by our International Sanctions Counsel, as of the Latest Practicable Date, the U.S. tariff rate on our products was 12.5%. See "Business — International Sanctions, Trade Restrictions and Tariff Policies — Analysis on Tariffs Policies." These measures, coupled with potential retaliatory actions, could result in disruptions to established trade relationships and supply chains. We cannot predict the interpretation or implementation of trade policies by the U.S. or other major economies, nor can we assure you that future changes in international trade relationships will not adversely affect our business operations.

In recent years, there has been heightened complexity in international relations. These types of tensions could reduce levels of international trade, investment, technological exchange and other economic activities, which would have a material adverse effect on global economic conditions and the stability of global financial markets. Any of these factors could have a material adverse effect on our and our consumers' business, financial condition and results of operations. In addition, as our business depends on overseas markets, economic sanctions, export controls and trade restriction measures (including tariffs and U.S. outbound investment regulations) taken by government authorities or other trade tensions or unfavorable trade policies may affect our product marketability. The current international trade tensions and political tensions, as well as any escalation of such tensions, may have a material negative impact on our ability to continue to sell to global consumers and further grow our customer base.

If we are unable to successfully sustain our growth and execute our growth initiatives and new strategies, our business and prospects may be affected.

Our business has become increasingly complex in terms of both the type and scale of business we operate. Any expansion may increase the complexity of our operations and place a significant strain on our managerial, operational, financial and human resources. We cannot assure that we will be able to

effectively manage our growth or to implement all these systems, procedures and control measures successfully. We are also continually executing new initiatives, strategies and operating plans designed to enhance our business, such as continuing to invest in R&D and technology innovation, develop new products and services, build our sales network, expand our production capacity and grow our customer base. These initiatives are new and evolving, some of which are still at the inception or testing stage and may be proven unsuccessful.

If we fail to offer consistent customer service, our business and reputation could suffer.

We differentiate ourselves from our competitors through, among others, our commitment to the consistent customer experience. Accordingly, high quality customer service is important for the growth of our business and any failure to maintain such standards of customer service, or a related market perception, could affect our ability to sell products and services to existing and prospective customers. Customers generally utilize our service teams and online content for help with a variety of topics, including how to use our products and services efficiently. The growth of the number of our customers will put additional pressure on our customer service organization. We may be unable to hire qualified staff quickly enough or to the extent necessary to accommodate increases in demand. In the event this occurs, our reputation, business, prospects and results of operations could be adversely affected.

Our future success depends on our ability to increase penetration in our existing markets and establish our presence in the global markets.

Our success depends on our ability to increase our market penetration among potential customers and to retain and expand our customer network. However, the new products and services we introduce may not successfully match the needs of our customers, which may result in our existing customers or potential customers not realizing the benefits and advantages of our products, or be competitive from both quality and cost perspectives against similar products manufactured by our competitors, which may result in such customers adopting the products or services offered by our competitors. If this occurs, our business and prospects could be materially and adversely affected.

Our success in new geographic markets is subject to our ability to manage various risks and difficulties, including but not limited to: (i) our ability to effectively manage and coordinate our workforces across different geographic locations; (ii) our ability to develop and maintain relationships with customers, suppliers and other local stakeholders; and (iii) our familiarity with the variations and changes in laws applicable to our operations in different jurisdictions, including enforceability of intellectual property and contractual rights. Any failure to increase penetration in our existing markets or establish our presence in new markets would adversely affect our ability to improve our operating results.

The success of our business depends on our ability to attract, train and retain highly skilled employees and key personnel.

Our success depends, to a significant extent, on the capability, expertise and continued services of our key personnel, including among others, key executives and R&D personnel. If we cannot maintain the stability and continuity of our key personnel, we may not be able to find a suitable replacement with comparable knowledge and experience. We may also need to offer better remuneration and other benefits to attract and retain key personnel. Our failure to attract and retain competent personnel and any increase in staffing costs to retain such personnel may have a negative impact on our ability to maintain our competitive position and to grow our business. If this occurs, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Negative publicity or limitations on our branding strategies may adversely affect our business and results of operations.

Negative publicity involving us, our products and services, or the biological reagent and life science tools industries may materially and adversely harm our brand image and reputation and cause deterioration in market recognition of and trust in our products and services provided. The risks associated with any such negative publicity or incorrect information cannot be completely eliminated or mitigated and may materially harm our reputation, business, financial condition and results of operations. If our branding initiatives fail to achieve the desired results, or if competitors undertake more effective marketing campaigns, our ability to maintain brand recognition and attract new customers may be materially and adversely affected.

Our businesses are subject to the changes in the regulatory environments in which our downstream customers operate.

Our customers operate in regulated industries. Changes in regulatory requirements, interpretations or enforcement applicable to their R&D or regulatory approval activities may indirectly affect our business. From time to time, customers may require us to provide supporting documentation or evidence demonstrating compliance with specific standards, such as audit, quality or data integrity requirements, in connection with their regulatory or internal compliance needs. If we are unable to meet such requirements on a timely basis or to the satisfaction of our customers, our commercial relationships may be adversely affected. In addition, delays, failures or changes in our customers' research programs, clinical development or regulatory approval processes may reduce or defer their demand for our products and services.

We may be unable to protect our intellectual property rights, and may be subject to infringement claims from third parties, either of which could reduce the value of our brands and harm our business and competitive market position.

Intellectual property rights are important to our business. We cannot assure you that our intellectual property rights will not be challenged, invalidated, circumvented or rendered unenforceable, or that meaningful protection or adequate remedies will be available to us. If we are unable to adequately protect our intellectual properties, we may lose these rights, our brand image may be harmed, and our competitive position and business may suffer. Additionally, third parties may assert intellectual property rights against us. We may not be able to defend the intellectual property rights in these disputes. Any litigation arising from these claims could result in substantial costs to us and divert our resources. If any intellectual property claims against us are successful, we may not have a legal right to continue to use or sell products that are adjudicated to have infringed third parties' intellectual property rights. We may be legally required to expend significant resources to replace the existing products we offer so that they do not infringe on third parties' intellectual property rights or we may be required to obtain relevant licenses to avoid further infringements. As a result, our reputation, business, financial condition and results of operations could be materially and adversely affected.

We are subject to the risk related to licensing agreements with third parties.

During the Track Record Period, we entered into licensing agreements with third parties, pursuant to which we have obtained from leading biotechnology and pharmaceutical companies exclusive and/or non-exclusive license for the production and commercialization of certain of our products. See "Business — Intellectual Property." However, we may not be able to maintain or renew such licenses on commercially reasonable terms, or at all. We may also be subject to restrictions on the production, commercialization, promotion and sale of the licensed products under the terms of such licensing agreements. In addition, if such third-party licensors breach or terminate the license agreements, or if we are unable to resolve any disputes with them in a timely manner, our business, financial condition and results of operations may be materially and adversely affected.

If our production facilities become unavailable or inoperable due to unforeseen and adverse events beyond our control, our business could be adversely impacted.

The production facilities and the equipment that we use to manufacture products would be costly to replace and could require substantial lead times to repair or replace. If our production facilities for our products become unavailable for any reason, we cannot provide assurances that we will be able to secure alternative production facilities with the necessary capacity and equipment on acceptable terms, if at all. The inability to manufacture our products, combined with our limited inventory of such products, may result in the loss of customers or harm our reputation, and we may be unable to reestablish relationships with those customers in the future.

If we fail to effectively manage product transitions or accurately forecast customer demand or acceptance, there may be excess or obsolete inventory and resulting charges.

Because the market for our products is characterized by rapid technological advances and innovations, we frequently introduce new products with improved ease-of-use, enhanced performance or additional features and functionalities. The risks associated with the introduction of new products include, among others, the difficulties of predicting customer demand and effectively managing inventory levels. As of December 31, 2023, 2024 and 2025 and July 31, 2026, we had inventories of RMB136.7 million, RMB197.1 million, RMB263.7 million and RMB256.7 million, respectively. Our average inventory turnover days were 486 days, 612 days, 599 days and 534 days in 2023, 2024, 2025 and the seven months ended July 31, 2026, respectively. Inventory levels in excess of customer demand may result in inventory write-downs or write-offs, which could impair the image of our brands and harm our gross margin.

Any labor shortages, increased labor costs or other factors affecting labor supply for our production could adversely affect our business, financial condition, results of operations and prospects.

To sustain the growth of our business, we may need to increase our workforce of experienced management and skilled personnels to implement our expansion plans and conduct our R&D projects to facilitate our future strategies. Any labor shortage, suspension or slowdowns at our production bases may significantly disrupt our business operations or delay our expansion plan. We may have difficulties in hiring or retaining sufficient and qualified employees. We cannot assure that we can retain and attract sufficient qualified employees on commercially reasonable terms, or at all. Any failure to attract qualified personnels at reasonable cost and in a timely manner could reduce our competitive advantages relative to our competitors, undermining our ability to expand our growth in revenue and profits. Increases in our labor costs and future disputes with our workers could adversely affect our business, financial condition or results of operations.

We are subject to the risks related to distributorship.

We have distributor networks in China and overseas markets, such as Japan, Europe and the United States, among others. In 2023, 2024, 2025 and the seven months ended July 31, 2026, our revenue generated under distributorship amounted to RMB139.5 million, RMB163.8 million, RMB207.8 million and RMB150.4 million, respectively, which accounted for 25.7%, 25.4%, 24.8% and 24.8% of our total revenue during the same periods, respectively. If certain of our distributors perform below our expectations of their respective sales targets, our sales and brand presence may suffer. We also face risks arising from changes or disruptions in distribution arrangements. Certain markets may have only a limited number of qualified distributors and replacing an underperforming distributor may require significant time and resources. Any failure by distributors to comply with applicable laws or maintain high service standards may expose us to reputational, regulatory or operational risks. If we cannot effectively manage or replace distributors, our sales performance, market expansion and overall financial results may be materially and adversely affected.

We may encounter difficulties in maintaining and developing our manufacturing capabilities.

The manufacturing of biological reagents is a complex process, which requires, among others, stable supply of raw materials, professionals with sufficient experience and operable production facilities and production lines. If any of the factors required for the production is materially prejudiced, we may not be able to maintain manufacturing capacity and timely produce sufficient number of products according to our customers' orders.

We are subject to the risk related to reliance on sales of a limited types of products.

During the Track Record Period, we generated revenue primarily from sales of recombinant proteins, antibodies, analytical assay kits and other products and provision of technical services. During the Track Record Period, we generated the majority revenue from the sales of recombinant proteins, accounting for 84.0%, 83.1%, 81.0%, 81.6% and 80.2% of our total revenue in 2023, 2024, 2025 and the seven months ended July 31, 2025 and 2026, respectively. Any significant decline in demand for recombinant proteins, whether due to technological obsolescence, the introduction of competing products, changes in market preferences or regulatory requirements, could have a material adverse effect on our business. If we are unable to successfully develop, commercialize or maintain market acceptance of new products or further enhance the sales of our other product lines such as antibodies and analytical assay kits to diversify our revenue stream, our financial condition and results of operations may be materially and adversely affected.

We are subject to credit risk related to defaults of customers and we may fail to collect our trade receivables in a timely manner.

Our trade and notes receivables primarily represent the outstanding amounts receivable by us from our customers for our products and services. As of December 31, 2023, 2024 and 2025 and July 31, 2026, our trade and notes receivables were RMB74.3 million, RMB100.9 million, RMB135.6 million and RMB174.7 million, respectively. In 2023, 2024, 2025 and the seven months ended July 31, 2026, our average trade receivables turnover days were 45 days, 49 days, 51 days and 53 days, respectively. We did not hold any collateral or other credit enhancements over our trade receivables balances as of the end of each year/period of the Track Record Period. Any inability of our customers, to pay us in a timely manner may have a material adverse effect on our business, results of operations and financial condition.

Our business depends on maintaining stable relationships with our business partners.

We have established business relationships with a range of business partners, including customers, suppliers and commercial logistics carriers. Any failure to maintain such relationships, any reduction in cooperation, or any disruption, shortage, delay or increase in the cost of supplies or logistics services may impair our operational efficiency and adversely affect our business and financial performance.

We are subject to risks related to our arrangements with contract development and manufacturing organizations ("CDMOs").

We rely on a limited number of CDMOs to manufacture certain biological reagents on an outsourced basis, primarily for non-core products, specialized manufacturing processes or packaging activities that require dedicated equipment or regulatory certifications. See "Business — Our Production and Facilities — Production Management and Personnel." We have limited direct control over the daily operations, quality assurance, production capacity and compliance standards of these third-party CDMOs. Any failure by such CDMOs to maintain required quality standards, meet delivery schedules, comply with applicable laws and regulations or continue their business operations may disrupt our supply chain, delay product deliveries to customers, increase production costs or adversely affect

product quality and consistency. In addition, we may face difficulties in promptly identifying or replacing unsatisfactory CDMOs on commercially reasonable terms, or at all. Any of these events could adversely affect our business operations, financial condition, results of operations and reputation.

We may experience discontinuation, reduction or delay of any preferential tax treatment or government grants.

We and our certain subsidiaries qualified as a "High and New Technology Enterprise" and were entitled to a preferential tax rate of 15% during the Track Record Period. Our certain subsidiaries qualified as a "Small and Micro-sized Enterprises" and were entitled to a preferential tax rate, as well. See "Financial Information — Description of Major Components of our Consolidated Statements of Comprehensive Income — Income Tax Expense." The PRC policies with respect to the preferential tax treatments are subject to updates and such updates may not be favorable to us. In addition, we cannot assure that the approval for such preferential tax treatments would be granted to us in a timely manner, or at all.

In addition, we received government grants from local government during the Track Record Period. In 2023, 2024, 2025 and the seven months ended July 31, 2026, we recognized government grants as other income of RMB15.6 million, RMB8.6 million, RMB9.1 million and RMB3.1 million, respectively. Any reduction, suspension or discontinuation of government grants or subsidies may adversely affect our financial condition, results of operations and cash flows.

We have Restricted A-Share Incentive Plans which may materially impact our future results of operations and dilute the ownership interests of our Shareholders.

We adopted Restricted A-Share Incentive Plans for certain personnel including Directors and senior management and key personnel, in order to recognize and reward their contribution and employees to our success and retain the services of eligible employees for our continuous growth and development. Our equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. We recorded an aggregate of reversal of previously accrued share-based payment expenses of RMB5.9 million in 2023, as the relevant performance conditions were not satisfied upon assessment at the end of the year. We recorded an aggregate of share-based expenses of RMB6.4 million, RMB13.6 million and RMB13.1 million in 2024, 2025 and the seven months ended July 31, 2026, respectively. The share-based payment expenses will decrease our profit and additional incentives granted by us in the future will dilute the ownership interests of our Shareholders. On the other hand, if we reduce the amount of share-based payments, we may not be able to attract or retain key personnel by offering them incentives linked to the **[REDACTED]** of our Shares.

Our operations may be subject to transfer pricing adjustments by competent authorities.

Our tax position may be subject to review and possible challenge by the relevant government authorities and any possible change in laws. If our tax position is subject to review and possible challenge by the relevant government authorities or there is a change in the tax policy and relevant tax laws in the relevant jurisdictions, it may adversely affect our results of operations and financial position. There can be no assurance that we will not be found to be operating in breach of the relevant transfer pricing laws and regulations, or that such laws will not be modified, which, as a result, may require changes to our transfer pricing arrangements. Any determination of income reallocations or modifications of the relevant transfer pricing laws and regulations could result in an income tax assessment and other relevant charges on the portion of income deemed to be derived from the taxing jurisdiction that so reallocates the income or modifies its relevant transfer pricing-related laws.

Use of third-party payment arrangements may expose us to regulatory, operational and payment settlement risks.

Certain of our customers have, from time to time, settled payments to us through third parties designated by such customers. See "Business — Third-party Payment." These arrangements may increase the risk of misunderstandings or disputes among the customer, the designated payer and our Group regarding payment obligations and settlement responsibilities. Authorities may also challenge the legitimacy or appropriateness of such payment arrangements and there can be no assurance that we would not be required to refund relevant amounts or face delays in payment settlement. Any of the foregoing could negatively affect our cash flows and working capital and could materially and adversely affect our business, financial condition, results of operations and prospects.

Failure to comply with the labor and social insurance-related laws and regulations may adversely affect our business, financial condition and results of operations.

The PRC government has issued various labor-related regulations to further protect the rights of employees. Companies operating in China are required to complete related registration with the competent authorities and contribute to the government-sponsored employee benefits plans in amounts equal to certain percentages of salaries, including bonuses and allowances, of employees up to a maximum amount specified by the local government from time to time at locations where our employees are based.

During the Track Record Period, we engaged third-party human resources agencies to pay on our behalf social insurance premium and housing provident funds for a small portion of our employees. As a result, we may be required by competent authorities to pay any outstanding amount and may be subject to late payment penalties. If the payment of social insurance premiums and housing provident fund for some of our employees through third-party agencies is challenged by the competent government authorities, we may be deemed to have failed to have discharged our obligations in relation to the payment of social insurance and housing provident funds through our own accounts as an employer. In addition, pursuant to the Interpretation of the Supreme People's Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (II) (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), which took effect on September 1, 2025, where an employer fails to pay social insurance contributions in accordance with the law, and the employee seeks to terminate the labor contract and claims economic compensation from the employer, the court shall support such claims. See "Regulatory Overview — Regulations on Labor and Social Security — Social Insurance and Housing Provident Fund." Therefore, if the contributions to social insurance premium made through the accounts of third-party human resources agencies are not deemed by the relevant authorities as the contributions made by us, our employees are entitled to terminate the labor contracts and claim economic compensation. As advised by our PRC Legal Advisor, the risk of competent government authorities requiring us to pay the outstanding amount and late payment penalties based on applicable laws and regulations is remote. See "Business — Legal Proceedings and Compliance — Legal Compliance — Engagement of Third-Party Human Resources Agencies to Pay Social Insurance and Housing Provident Funds." However, we cannot guarantee that the competent government authorities will not impose late payment penalties on us. Such actions may have a material and adverse impact on our financial position and results of operations.

If we fail to obtain or renew certain approvals, licenses, permits and/or certificates required for our business operations, our business, financial condition and results of operations could be materially and adversely affected.

Pursuant to the relevant laws and regulations in the PRC, we are required to obtain, renew and maintain, from time to time, various approvals, licenses, permits and/or certificates from the relevant authorities to operate our business. We also intend to explore overseas market opportunities, which may

require additional approvals, licenses, permits and/or certificates. See "Business — Our Strategies — Deepen Global Localization to Accelerate International Market Penetration." Any failure by us to obtain the necessary renewals and/or reassessment and otherwise maintain all approvals, licenses, permits and/or certificates necessary to carry out our business at any time could severely disrupt our operations, which could have a material adverse effect on our business, financial condition and results of operations.

We may not have adequate insurance coverage for potential losses and liabilities.

We maintain insurance policies that are required under the PRC laws and regulations and are based on the assessment of our operational needs. However, our insurance coverage may not be adequate. We face various operational risks in connection with our business. These risks can result in, among others, damage to, and destruction of, properties, personal injury or loss of life, environmental damage, monetary losses and legal liability. The occurrence of any of these events may result in the interruption of our operations and subject us to significant losses or liabilities. In the event that we incur substantial losses or liabilities and our insurance is unavailable or inadequate to cover such losses or liabilities, our business, financial condition and results of operations could be materially and adversely affected.

We depend on information technology and other infrastructure that face security risks, including cyber security risks.

We rely on a variety of information technology to manage and support our operations. The information technology systems may be susceptible to damage, disruptions or shutdowns due to failures during the process of upgrading or replacing software, databases or components, network overload, power outages, hardware failures, computer viruses, attacks by computer hackers, telecommunication failures, user errors or catastrophic events. Failures in information technology systems could potentially lead to problems with our operations, hinder our ability to efficiently manufacture our products, subject us to customer complaint, or could cause our loss of customers, business partners, data assets and trade secrets, disruption to our R&D activities, transaction errors and processing and production inefficiencies.

We are subject to risks related to strategic acquisitions.

We may pursue strategic acquisitions. See "Future Plans and Use of **[REDACTED]**." The acquisitions expose us to various risks and uncertainties. There is no assurance that the valuation reflects its actual fair value, which may result in impairment or other adverse financial impacts. We also face integration risks relating to acquired target's operations, systems, internal controls, personnel and business relationships, and we may not be able to maintain the stability of its operations or preserve the quality and reputation of the acquired business. Moreover, we may not realize the anticipated benefits of the acquisition. Any failure or delay in achieving such benefits could materially and adversely affect our business, financial condition and results of operations. Our available cash and stock may be used for our future acquisitions, which will potentially result in significant acquisition-related changes to earnings and dilution to our existing Shareholders. Moreover, we may be held liable for historical non-compliances, indebtedness, lawsuits, disputes, claims or damages involving our acquisition targets prior to acquisition. In the event that we are ultimately responsible for paying penalties, claims, damages or any other payments arising from such historical matters, our financial position, results of operation, cash flows and prospects could be materially and adversely affected.

Our management uses certain key business metrics to evaluate our business, measure our performance and make strategic decisions, which may not accurately reflect all aspects of our business.

In addition to our consolidated financial results, our management regularly reviews a number of operating and financial metrics to evaluate our business, measure our performance, identify trends affecting our business, formulate financial projections and make strategic decisions. However, they may not accurately reflect all aspects of our business and we anticipate that these metrics may change or may be substituted for additional or different metrics as our business grows and as we introduce new products. If our management fails to review other relevant information or change or substitute the key business metrics they use as our business grows and we introduce new solutions, their ability to accurately formulate financial projections and make strategic decisions may be compromised and our business, financial results and future growth prospects may be adversely impacted.

Failure to comply with environmental, health and safety regulations applicable to us could harm our business.

Our business operations are governed by national and local laws and regulations of the PRC and other jurisdictions relating to environmental protection, as well as health and safety requirements. We cannot fully eliminate the risks of accidental contamination, biological hazards or personal injury at our production facilities during the R&D and manufacturing processes. If such an accident occurs, we may be held liable for damages and clean-up costs. Such liability may also give rise to other adverse consequences, including reputational damage that could lead to the loss of business from customers. We may further be compelled to temporarily or permanently close or suspend operations at certain of our affected production facilities.

Natural disasters, epidemics, acts of war or terrorism or other factors beyond our control in the future could materially and adversely affect our business, financial condition and results of operations.

Natural disasters, epidemics, acts of war or terrorism or other factors beyond our control may adversely affect the economy, infrastructure and livelihood of the people in the regions we conduct our business. Serious natural disasters may result in a tremendous loss of lives and injury and destruction of assets and disrupt our business and operations. Severe communicable disease outbreaks could result in a widespread health crisis that could materially and adversely affect business activities in the affected regions, which could materially and adversely affect our operations. Acts of war or terrorism, riots or disturbances may also injure or cause deaths to our employees and disrupt our business network and operations. Any of these factors and other factors beyond our control could materially and adversely affect our business, financial condition and results of operations.

Any future litigation, legal disputes, claims or administrative proceedings against us could be costly and time-consuming to defend.

We may become subject, from time to time, to legal proceedings and claims that arise in the ordinary course of business or pursuant to governmental or regulatory enforcement activity. See "Business — Legal Proceedings and Compliance — Legal Proceeding." While we do not believe that the resolution of any lawsuits against us will, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations, litigation to which we subsequently become a party may result in substantial costs and divert management's attention and resources. Furthermore, any litigations, legal disputes, claims or administrative proceedings which are initially not of material importance may escalate and become important to us due to a variety of factors, such as the facts and circumstances of the cases, the likelihood of loss, the monetary amount at stake and the parties involved.

Our historical financial results and operating performance may not be indicative of our future performance.

We may not be able to maintain our historical growth rates in future periods, nor can we guarantee that we will sustain profitability on an interim or annual basis in the future. Our historical results, growth rates and profitability do not serve as a reliable indicator of our future performance. In the event that our earnings fail to meet the expectations of the **[REDACTED]** community, the **[REDACTED]** of our Shares may be subject to significant volatility.

We are exposed to changes in the fair value of financial assets measured at fair value through profit or loss and valuation uncertainties.

As of December 31, 2023, 2024 and 2025 and July 31, 2026, our financial assets at fair value through profit or loss were RMB2.4 million, RMB11 thousand, RMB398.8 million and RMB572.1 million, respectively, which primarily consisted of our investments in wealth management products. See "Financial Information – Description of Certain Key Items From Our Consolidated Statements of Financial Position – Financial Assets at Fair Value Through Profit or Loss." A variety of factors such as general economic and market conditions can significantly influence and cause adverse changes to the assumptions and estimates we use and thereby affect the fair value of our financial assets. Such factors could cause our estimates to vary from actual results and result in the substantial fluctuation in the fair value of our financial assets.

RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

Development in relevant social and economic policies, laws, rules and regulations could affect our business, financial condition and results of operations.

Our results of operations may be affected by the global economic, social and regulatory landscape. Our industry in general is affected by macroeconomic factors, including international, national, regional and local economic conditions, trade relationships, consumer demand and discretionary spending. Any of these factors may affect our business, financial condition and results of operations.

We are subject to regulatory requirements on currency conversion as required by laws and regulations.

Conversion and remittance of foreign currencies are subject to certain foreign exchange regulations. It cannot be guaranteed that under a certain exchange rate, we would have sufficient foreign exchange to meet our foreign exchange needs. For example, under the PRC current foreign exchange regulation system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the State Administration of Foreign Exchange (國家外匯管理局) (the "**SAFE**"); however, we are required to present relevant documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within the PRC that have the licenses to carry out foreign exchange business. Foreign exchange transactions under the capital account, however, normally need to be approved by or registered with the SAFE or their local branch unless otherwise permitted by law. Any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to holders of H Shares or satisfy any other foreign exchange obligation. Moreover, non-compliance with any applicable foreign exchange regulations could subject us to administrative penalties and fines, and could affect our business and reputation.

We face foreign exchange risks and fluctuations in exchange rates could have an adverse effect on our business and [REDACTED].

Fluctuations in the exchange rate of Renminbi against Hong Kong dollars, U.S. dollars and other foreign currencies are affected by, among other things, the changes in domestic and international political, economic conditions and monetary policies. Any appreciation or depreciation in the value of Renminbi or other foreign currencies that our operations are exposed to will affect our business in different ways. In addition, changes in foreign exchange rates may have an impact on the value of, and any dividends payable on, the Shares in Hong Kong dollars. In such events, our business, financial condition, results of operations and growth prospects may be materially and adversely affected.

We may be subject to the approval or other requirements of the CSRC or other PRC governmental authorities in connection with future capital raising activities.

We cannot assure that any new rules or regulations promulgated in the future will not impose additional requirements or restrictions on us or our financing activities. We may face sanctions by the CSRC or other PRC regulatory authorities for failure to seek CSRC approval or other government authorization, or perform filing procedures, for our future financing activities, and these regulatory authorities may impose fines and penalties on us, limit our operating activities in the PRC, limit our ability to pay dividends outside the PRC, delay or restrict the repatriation of the **[REDACTED]** from the **[REDACTED]** into the PRC or take other actions to restrict our financing activities, which could have a material adverse effect on our business.

It may be difficult to effect service of process upon us, our Directors or our executive officers that reside in China or to enforce against them or us in China any judgments obtained from non-PRC courts.

The legal framework to which our Company is subject is materially different from the Companies Ordinance or corporate law in the United States and other jurisdictions with respect to certain areas, including the protection of minority shareholders. In addition, China has not entered into treaties or arrangements providing for the recognition and enforcement of judgments made by courts of most other jurisdictions. However, according to the PRC Company Law, shareholders may commence a derivative action against the directors, supervisors, officers or any third party on behalf of a company under certain circumstances. Pursuant to Arrangements for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases between Courts of the Mainland China and Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) effective on January 29, 2024, promulgated by the Supreme People' Court, a party with an enforceable final court judgment rendered by any designated people' court of China or any designated Hong Kong court with respect to any civil and commercial cases excluding certain types of which, may apply for recognition and enforcement of the judgment in the relevant people' court of China or Hong Kong court.

We are subject to PRC tax laws and regulations.

We are subject to periodic examinations on fulfillment of our tax obligation under the PRC tax laws and regulations by PRC tax authorities. We cannot assure that future examinations by PRC tax authorities would not result in fines, other penalties or actions that could adversely affect our business, financial condition and results of operations, as well as our reputation. Furthermore, the PRC government from time to time adjusts or changes its tax laws and regulations. Such adjustments or changes could have an adverse effect on our business, financial condition and results of operations.

Holders of H Shares may be subject to PRC taxations.

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

For non-PRC resident individuals, pursuant to the Individual Income Tax Law, income derived from interest, dividends and bonuses sourced within the PRC is subject to individual income tax at a rate of 20%. Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties or arrangements between the PRC and the jurisdiction in which the foreign individual resides provide for a reduction or exemption of such tax obligations. Pursuant to applicable regulations, PRC companies issuing shares in Hong Kong may generally withhold individual income tax at a rate of 10% when distributing dividends. However, if we are aware of the identities of the individual holders of H Shares and the applicable tax rates, the dividends we pay to non-PRC individuals may be subject to withholding tax at other rates pursuant to applicable tax treaties (or up to 20% in the absence of an applicable tax treaty). Whether gains derived by non-PRC individuals from the disposition of H Shares are subject to PRC individual income tax shall be determined in accordance with the relevant laws and regulations then in effect.

For non-PRC resident enterprises that have no establishment or place of business in the PRC, or that have an establishment or place of business in the PRC but whose income is not effectively connected with such establishment or place of business, dividends paid by us and gains realized by such foreign enterprises from the sale or other disposition of shares are generally subject to PRC enterprise income tax at the rate of 10% in accordance with the Enterprise Income Tax Law and other applicable PRC tax regulations and statutory documents. Such tax may be reduced or exempted pursuant to special arrangements or applicable treaties entered into between the PRC and the jurisdiction in which the non-resident enterprise resides. Pursuant to applicable regulations, we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of H Shares. Non-PRC resident enterprises that are entitled to preferential tax rates under applicable income tax treaties are required to apply to the PRC tax authorities for a refund of any withholding tax in excess of the rate prescribed under the applicable treaty, and payment of any such refund is subject to confirmation by the PRC tax authorities.

Limitations on the ability of our subsidiaries to pay dividends to us could have a material adverse effect on our ability to conduct our business.

Our Company receives dividends and other distributions on equity paid by our subsidiaries to fund a portion of cash and financing requirements. If any of our subsidiaries in China incurs debt on its own behalf in the future, the instruments governing the debt may restrict its ability to pay dividends or make other distributions to us. Furthermore, each of our subsidiaries in China is required to set aside at least 10% of its after-tax profits based on PRC accounting standards each year to fund a statutory reserve, until the accumulated amount of such reserve has exceeded 50% of its registered capital. These reserves are not distributable as cash dividends. As a result of these PRC laws and regulations, each of our subsidiaries is restricted in its ability to transfer its net profit to us in the form of dividends. Limitations on the ability of our subsidiaries to pay dividends or make other distributions to us could materially and adversely limit our ability to grow, make investments or acquisitions, pay dividends or otherwise fund and conduct our business.

RISKS RELATING TO THE [REDACTED]

Our A Shares are listed on the ChiNext of Shenzhen Stock Exchange. The characteristics of the A Share and H Share markets may differ.

Our A Shares are listed and traded on the ChiNext of Shenzhen Stock Exchange. Following the **[REDACTED]**, our A Shares will continue to be traded on the ChiNext of Shenzhen Stock Exchange and our H Shares will be **[REDACTED]** on the Stock Exchange. Under the current PRC laws and regulations, our H Shares and A Shares are neither interchangeable nor fungible, and there is no trading or settlement between the H Share and A Share markets. The H Share and A Share markets have different trading characteristics, each have different trading volumes, liquidity and investor bases, as well as different levels of retail and institutional investor participation. As a result, the **[REDACTED]** of our H Shares and A Shares may not be comparable, and the historical prices of our A Shares may not be indicative of the **[REDACTED]** of our H Shares. Nonetheless, fluctuations in the price of our A Shares may adversely affect the **[REDACTED]** of our H Shares, vice versa. Therefore, you should not place undue reliance on the trading history of our A Shares when evaluating the **[REDACTED]** in our H Shares.

There has been no prior [REDACTED] for our H Shares and the [REDACTED] and [REDACTED] of our H Shares may be volatile.

Prior to the completion of the **[REDACTED]**, there has been no **[REDACTED]** for our H Shares. There can be no guarantee that an active **[REDACTED]** for our H Shares will develop or be sustained after the completion of the **[REDACTED]**. Furthermore, the **[REDACTED]** and **[REDACTED]** volume of our H Shares may be volatile. It is possible that our H Shares may be subject to changes in **[REDACTED]** not directly related to our performance and as a result, **[REDACTED]** in our H Shares may suffer substantial losses.

The [REDACTED] of our H Shares may be volatile, which could result in substantial losses to you.

The **[REDACTED]** of our H Shares may be volatile and could fluctuate widely in response to factors beyond our control. In particular, the performance and fluctuation of the market prices of other companies offering similar products or operating in the same/related industries that have listed their securities in Hong Kong may affect the volatility in the **[REDACTED]** of and **[REDACTED]** for our H Shares. The trading performances of the securities of these companies at the time of or after their offerings may affect the overall investor sentiment towards Chinese Mainland-based companies listed in Hong Kong and consequently may impact the **[REDACTED]** of our H Shares.

Future [REDACTED] or perceived [REDACTED] of substantial amounts of our Shares in the [REDACTED] could have a material adverse effect on the prevailing [REDACTED] of our H Shares and our ability to raise additional capital in the future.

Substantial future **[REDACTED]** or the expectation of substantial **[REDACTED]** of our Shares in the **[REDACTED]** following the **[REDACTED]** could materially and adversely affect the **[REDACTED]** of our H Shares. Future sales of a significant number of our Shares by our Controlling Shareholders Group or other existing shareholders in the **[REDACTED]** after the **[REDACTED]**, or the perception that these sales could occur, could cause the **[REDACTED]** of our H Shares to decline and could materially impair our future ability to raise capital through **[REDACTED]** of our Shares. We cannot assure that our Controlling Shareholders Group will not dispose of Shares held by them or that we will not issue Shares pursuant to the general mandate to issue shares granted to our Directors or otherwise. Sale or issuance of a substantial number of Shares by our Controlling Shareholders Group or us, or the market perception that such sale or issuance may occur, could materially and adversely affect the prevailing **[REDACTED]** of the H Shares.

We cannot guarantee that our new business initiatives and use of [REDACTED] plan will be successfully implemented or generate revenue and profit as we expected.

As a participant in China's biological reagents industry, we continue to implement various growth strategies and plans to diversify our business. However, expanding into new businesses involves risks and challenges. These business initiatives are new and evolving, some of which may prove unsuccessful. We cannot assure that any of these new business initiatives will achieve our expected market acceptance and generate revenue or profit. If our efforts fail to enhance our monetization abilities, we may not be able to maintain or increase our revenues or recover any associated costs, and our business and results of operations may be materially and adversely impacted.

Our Controlling Shareholders Group may have substantial influence over our Company and their interests may not be aligned with the interests of other Shareholders.

Our Controlling Shareholders Group may have substantial influence over our corporate actions. Immediately following the completion of the **[REDACTED]**, our Controlling Shareholders Group will be entitled to exercise approximately **[REDACTED]**% of the voting rights in our Company (assuming the **[REDACTED]** is not exercised and no additional Shares are issued pursuant to our Restricted A-Share Incentive Plans). This concentration of ownership may discourage, delay or prevent a change in control of our Company, which could deprive other Shareholders of an opportunity to receive a **[REDACTED]** for their H Shares as part of a sale of our Company and might reduce the **[REDACTED]** of our H Shares. These events may occur even if they are opposed by our other Shareholders. In addition, the interest of our Controlling Shareholders Group may differ from the interests of our other Shareholders. It is possible that our Controlling Shareholders Group may exercise their influence over us and cause us to enter into transactions or take, or fail to take, actions or make decisions that conflict with the best interests of our other Shareholders.

As the [REDACTED] of our H Shares is higher than our consolidated net tangible asset per Share, [REDACTED] of our H Shares in the [REDACTED] may experience immediate dilution upon such [REDACTED].

As the **[REDACTED]** of our H Shares is higher than the consolidated net tangible assets per Share immediately prior to the **[REDACTED]**, **[REDACTED]** of our H Shares in the **[REDACTED]** may experience an immediate dilution. Our existing Shareholders will receive an increase in the **[REDACTED]** adjusted consolidated net tangible asset value per Share of their Shares. In addition, holders of our H Shares may experience further dilution of their interest if we issue additional H Shares in the future to raise additional capital.

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

As our A Shares are listed on the ChiNext of Shenzhen Stock Exchange, we have been subject to periodic reporting and other information disclosure requirements in the PRC. As a result, from time to time, we publicly release information relating to us on the Shenzhen Stock Exchange or other media outlets designated by the CSRC. However, the information announced by us in connection with our A Shares listing is based on regulatory requirements of the securities authorities, industry standards and market practices in the PRC, which are different from those applicable to the **[REDACTED]**. The presentation of financial and operational information for the Track Record Period disclosed on the Shenzhen Stock Exchange or other media outlets may not be directly comparable to the financial and operational information contained in this document. Therefore, prospective **[REDACTED]** in our H Shares should be reminded that, in making their **[REDACTED]** decisions as to whether to **[REDACTED]** in our H Shares, should rely only on the financial, operating and other information included in this document.

Certain facts and statistics contained in this document are derived from publicly available official sources.

The information from official government sources has not been independently verified by us, the Sole Sponsor, **[REDACTED]**, any of our or their respective directors, officers or representatives or any other parties involved in the **[REDACTED]** and no representation is given as to their accuracy. In addition, we cannot assure that such information is stated or compiled on the same basis or with the same degree of accuracy as or consistent with similar statistics presented elsewhere, and such information may not be complete or up-to-date. For these reasons, the information from various government publications contained in this document may not be accurate and should not be given undue reliance as a basis for making your **[REDACTED]** in our H Shares.

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

This document contains certain statements and information that are forward-looking and uses forward-looking terminology such as "aim", "anticipate", "believe", "can", "could", "continue", "estimate", "going forward", "intend", "plan", "project", "potential", "predict", "seek", "expect", "may", "might", "ought to", "should", "would" or "will" and similar expressions. These statements are, by their nature, subject to significant risks and uncertainties. The risks and uncertainties in this regard consist of those identified in the risk factors discussed above. Our Company does not undertake any obligation to update publicly or release any revisions of any forward-looking statements, whether as a result of new information, future events, or otherwise. See "Forward-looking Statements."

You should read the entire document carefully, and we strongly caution you not to place any reliance on any information contained in press articles and other media regarding us and the [REDACTED].

You should rely solely upon the information contained in this document, the **[REDACTED]** and any formal announcements made by us in Hong Kong in making your **[REDACTED]** regarding the H Shares. We do not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding ourselves or the **[REDACTED]**. In making their decisions as to whether to **[REDACTED]** in our H Shares, **[REDACTED]** should only rely on the financial, operational and other information included in this document, the **[REDACTED]** and any formal announcements made by us in Hong Kong. By applying to **[REDACTED]** our H Shares in the **[REDACTED]**, you will be deemed to have agreed that you will not rely on any information other than that contained in this document, the **[REDACTED]** and any formal announcements made by us in Hong Kong.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the **[REDACTED]**, we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

MANAGEMENT PRESENCE IN HONG KONG

Rules 8.12 and 19A.15 of the Listing Rules requires that a new applicant applying for a primary listing on the Stock Exchange must have a sufficient management presence in Hong Kong unless a waiver from such requirement is obtained from the Stock Exchange. This normally means that at least two of its executive directors must be ordinarily resident in Hong Kong.

Our management, principal business operations and assets are primarily based outside Hong Kong. The headquarters and senior management of our Group are primarily based in the PRC, where the Group's management is best able to attend its functions. Our Directors consider that the appointment of executive Directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, the Group and therefore would not be in the best interests of our Company and Shareholders as a whole. Accordingly, our Company does not have, and for the foreseeable future will not have, sufficient management presence in Hong Kong for the purpose of satisfying the management presence requirement under Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements pursuant to Rules 8.12 and 19A.15 of the Listing Rules. In order to maintain regular and effective communication with the Stock Exchange, we will put in place the following measures:

(a) we have appointed two authorized representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our principal channel of communication with the Stock Exchange. The two authorized representatives are Mr. Chen, an executive Director, and Ms. Chan Wing Yan (陳詠欣), a joint company secretary of our Company (together, the "**Authorized Representatives**"). The Authorized Representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable period of time upon request and will be readily contactable by home, office, mobile and other telephone numbers, email address and correspondence address (if the Authorized Representative is not based at the registered office), and any other contact details prescribed by the Stock Exchange from time to time. The Authorized Representatives have been duly authorized to communicate on our behalf with the Stock Exchange. Both of them have confirmed that they possess valid travel documents to Hong Kong and will be able to meet with the Stock Exchange within a reasonable period of time, when required;

(b) our Authorized Representatives have all necessary means to contact the Directors (including the independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors on any matters. To enhance communication between the Stock Exchange, the Authorized Representatives and our Directors, our Company has implemented a policy whereby (i) each Director will provide his/her office phone number, mobile phone number, residential phone number and email address to the Authorized Representatives; and (ii) each Director will provide valid phone numbers or means of communication to the Authorized Representatives when he or she travels;

(c) each Director who is not ordinarily resident in Hong Kong has confirmed that he or she has valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange in Hong Kong within a reasonable period;

(d) our Company [has], in accordance with Rule 3A.19 of the Listing Rules, also appointed Alliance Capital Partners Limited as its compliance advisor, who will act as an additional channel of communication with the Stock Exchange. The compliance advisor will advise on on-going compliance requirements and other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong for a period commencing on the **[REDACTED]** until at least the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our Company's financial results for the first full financial year after the **[REDACTED]**;

(e) meetings between the Stock Exchange and our Directors could be arranged through our Authorized Representatives or our Company's compliance advisor, or directly with our Directors within a reasonable time frame. Our Company will inform the Stock Exchange promptly in respect of any change in our Company's Authorized Representatives and compliance advisor; and

(f) pursuant to Rule 3.20 of the Listing Rules, each Director has provided his or her telephone number, mobile phone number, email address, residential address and correspondence address, where available, to the Stock Exchange.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Chen Yiding (陳宜頂)	1-2/F, Building 87, Zone 1, Fuyuan Dongli, Economic and Technological Development Zone, Beijing, PRC	Chinese
Mr. Miao Jingyun (苗景贇)	Room 201, Unit 2, Building 12, Tianbaoyuan Sili, Economic and Technological Development Zone, Beijing, PRC	Chinese
Ms. Qu Wenting (屈文婷)	Room 1304, Building 1, No. 71 Yangqiao Courtyard, Fengtai District, Beijing, PRC	Chinese
Non-executive Director		
Ms. Li Yang (李楊)	Room 601, Unit 2, Building 2, Zhonghao Qingyuan, Wenyi Road, Xihu District, Hangzhou City, Zhejiang Province, PRC	Chinese
Independent non-executive Directors		
Ms. Zhao Peiyi (趙佩懿)	Room 1502, No. 15, Lane 199, Biyun Road, Pudong New Area, Shanghai, PRC	Australia
Mr. Cui Yuxuan (崔郁軒)	Room 401, No. 65, Lane 483, Shangzhong Road, Xuhui District, Shanghai, PRC	Chinese
Ms. Wu Fengting (吳鳳廷)	Flat H, 36/F, Tower 1, 8 King Ling Road, Metro Town Tseung Kwan O, New Territories, Hong Kong	Chinese

For further information regarding our Directors, see "Directors and Senior Management."

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor

China Merchants Securities (HK) Co., Limited
32/F One Exchange Square
Central
Hong Kong

[REDACTED]

[REDACTED]

Legal advisors to our Company

As to Hong Kong law:
Morgan, Lewis & Bockius
19/F, Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong

As to Hong Kong regulatory and compliance matters:
Ms. Queenie W.S. Ng
Unit D, 33/F, United Center
95 Queensway
Admiralty
Hong Kong

As to PRC law:
Llinks Law Offices
19F, One Lujiazui
68 Yin Cheng Road Middle
Pudong New Area, Shanghai
PRC

As to U.S. law:
Morgan, Lewis & Bockius LLP
1400 Page Mill Road
Palo Alto, CA 94304-1124
U.S.

As to Swiss law:
Kellerhals Carrard Bern KlG
Effingerstrasse 1
Postfach
CH-3001
Bern
Switzerland

	As to South Korean law: **D&A LLC** 317, Teheran-ro Gangnam-gu, Seoul 06151, Korea *As to Germany law:* **Thümmel Schütze** Urbanstraße 7 70182 Stuttgart Germany *As to United Kingdom (England and Wales) law:* **Raymond Legal** 1 Paternoster Lane London EC4M 7BQ The United Kingdom *As to international sanctions laws:* **King & Wood** 10F, Building B4, Xinchen Lingang Center Lane 9, North Yunjuan Road, Shengang Street Pudong New District, Shanghai PRC
Legal advisors to the Sole Sponsor and the [REDACTED]	*As to Hong Kong law:* **Fangda Partners** 26/F, One Exchange Square 8 Connaught Place Central Hong Kong *As to PRC law:* **King & Wood** 18th Floor, East Tower World Financial Center No. 1 Dongsanhuan Zhonglu Chaoyang District Beijing PRC
Auditors and reporting accountants	**Rongcheng (Hong Kong) CPA Limited** *Certified Public Accountants* *Registered Public Interest Entity Auditor* Unit 4301–07, 43/F, Cosco Tower 183 Queen's Road Central Sheung Wan Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Independent industry consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Room 2504, Wheelock Square No. 1717 West Nanjing Road Jing'an District Shanghai PRC
Transfer pricing consultant	**Ernst & Young (China) Advisory Limited Beijing Branch Office** Level 6, Ernst & Young Tower Oriental Plaza No. 1 East Chang An Avenue Dong Cheng District Beijing PRC

[REDACTED]

Compliance advisor	**Alliance Capital Partners Limited** Room 03 7/F, Worldwide House 19 Des Voeux Road Central Hong Kong

CORPORATE INFORMATION

Registered office and head office in the PRC	4th Floor, Building 4 No. 8 Hongda North Road Beijing Economic-Technological Development Area, Beijing PRC
Place of business in Hong Kong registered under Part 16 of the Companies Ordinance	46/F Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong
Company's website	**www.acrobiosystems.cn** (*information contained in this website does not form part of this document*)
Joint company secretaries	**Mr. Lin Tao (林濤)** *(Member of Hong Kong Institute of Certified Public Accountants)* Room 2708, Building 3 No. 103 Courtyard South Fourth Ring Road West Fengtai District Beijing PRC **Ms. Chan Wing Yan (陳詠欣)** *(Associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)* 46/F, Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong
Authorized representatives	**Mr. Chen Yiding (陳宜頂)** 1-2/F, Building 87, Zone 1, Fuyuan Dongli, Economic and Technological Development Zone, Beijing, PRC **Ms. Chan Wing Yan (陳詠欣)** 46/F, Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong
Audit Committee	Ms. Zhao Peiyi (趙佩懿) *(Chair)* Ms. Wu Fengting (吳鳳廷) Ms. Li Yang (李楊)
Remuneration and Appraisal Committee	Ms. Wu Fengting (吳鳳廷) *(Chair)* Mr. Miao Jingyun (苗景贇) Ms. Zhao Peiyi (趙佩懿)

CORPORATE INFORMATION

Nomination Committee	Mr. Cui Yuxuan (崔郁軒) *(Chair)* Mr. Chen Yiding (陳宜頂) Ms. Wu Fengting (吳鳳廷)
Strategy Committee	Mr. Chen Yiding (陳宜頂) *(Chair)* Mr. Miao Jingyun (苗景贇) Ms. Qu Wenting (屈文婷) Ms. Li Yang (李楊) Mr. Cui Yuxuan (崔郁軒)

[REDACTED]

Principal banks

Bank of China Limited
Beijing Tianhua Sub-Branch
Room B4, 1st Floor, Daxiong Commercial Center
Zone 2, Tianhuayuan Erli
Tianhua West Road
Beijing Economic-Technological Development Area
Beijing
PRC

China Merchants Bank Co., Ltd.
Beijing Yizhuang Sub-Branch
Room 105, 106, 205, Building 8
No. 8 Ronghua Middle Road
Beijing Economic-Technological Development Area
Beijing
PRC

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

SOURCES OF INFORMATION

We commissioned Frost & Sullivan, an independent consulting firm, to conduct a detailed research on the life science tool market from 2020 to 2030. The report commissioned has been prepared by Frost & Sullivan independent of our influence.

Frost & Sullivan is an independent global consulting firm founded in 1961 that provides industry research, market strategies and growth consulting and corporate training. Its industry coverage includes automotive and transportation, chemicals, materials and food, commercial aviation, consumer products, energy and power systems, environment and building technologies, healthcare, industrial automation and electronics, industrial and machinery, and technology, media and telecom. We have agreed to pay a fee of RMB530,000 to Frost & Sullivan in connection with the preparation of the Frost & Sullivan Report. We have extracted certain information from the Frost & Sullivan Report in this section, as well as in the sections headed "Summary", "Risk Factors", "Business", "Financial Information" and elsewhere in this document to provide our potential **[REDACTED]** with a more comprehensive presentation of the industry in which we operate.

RESEARCH METHODOLOGY

During the preparation of the Frost & Sullivan Report, Frost & Sullivan collected, analyzed, assessed and validated the information and statistics using its in-house analysis models and techniques. Primary research was conducted via discussions and interviews with industry participants and industry experts. Secondary research involved analysis of market statistics obtained from several publicly available data sources, such as releases from the governments of the research countries, company reports, independent research reports and Frost & Sullivan's own internal database. The methodology applied by Frost & Sullivan is based on information and statistics gathered from multiple levels and allows such information and statistics to be cross-referenced for accuracy.

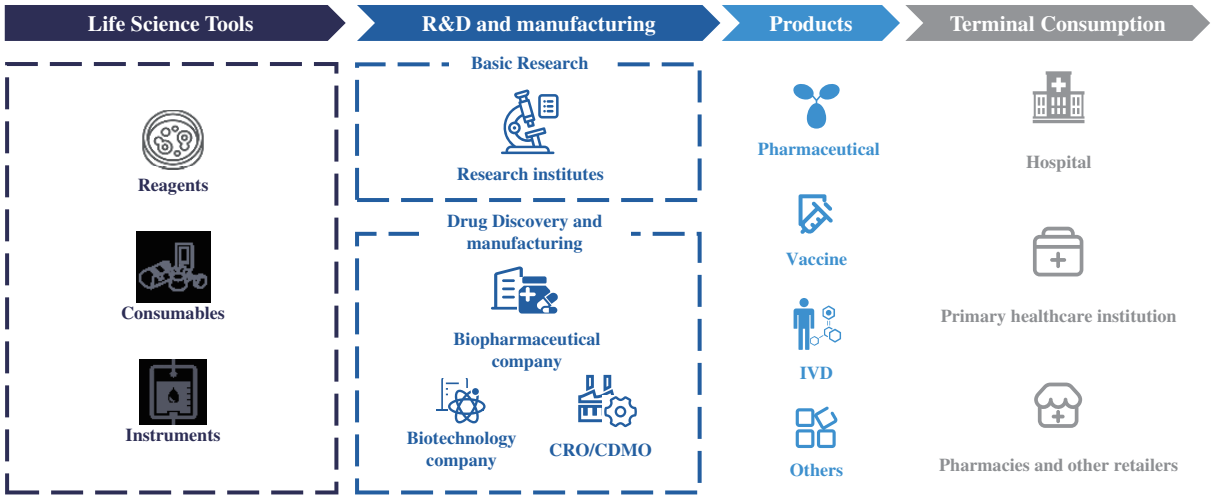
BASIS AND ASSUMPTION

The Frost & Sullivan Report contains a series of market projections which were produced based on the following assumptions, without limitations: China's and global social, economic, and political environment is likely to remain stable from 2025 to 2030.

OVERVIEW OF LIFE SCIENCE INDUSTRY

The life sciences industry integrates expertise from biology, chemistry, pharmacology, mechanical automation, materials science, and other fields to deliver bioprocessing solutions, laboratory products and services, and healthcare products and services, including pharmaceuticals, vaccines, in vitro diagnostics (tests done on samples such as blood or tissue that have been taken from the human body),

among others. We are rooted in the life sciences industry and provide life science tools to serve biopharmaceutical companies, scientific research and the broader biotechnology industry. The following diagram illustrates the value chain of the life science industry.



Source: Frost & Sullivan Report

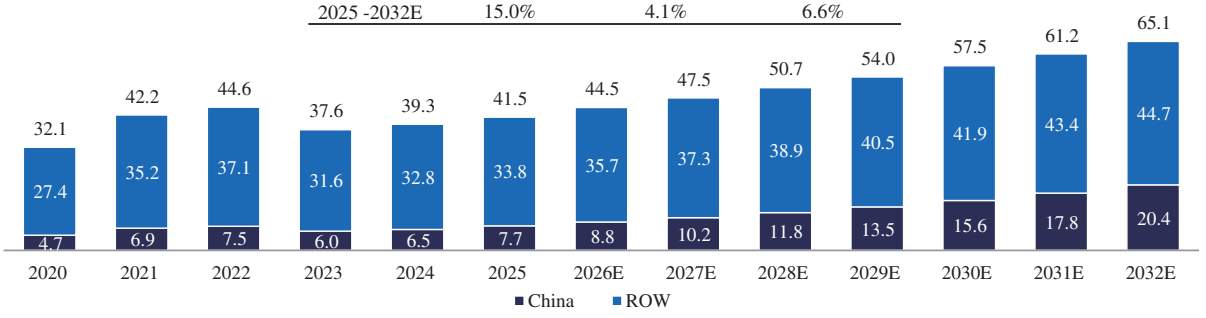
Overview of Life Science Tools Market

The life science tools market refers to the foundational research materials and technical support systems that serve scientific research, biopharmaceutical R&D and manufacturing, diagnostics and the broader biotechnology industry, including instruments, reagents, consumables. The global life science tools market reached USD32.1 billion in 2020 and grew at a CAGR of 5.3% to reach USD41.5 billion in 2025. This market is expected to expand further to USD65.1 billion by 2032, with a CAGR of 6.6% from 2025 to 2032. The decline in market size in 2023 was primarily due to supply constraints of bioprocessing caused by the COVID-19 pandemic. During the pandemic, the market heavily stockpiled these materials, and destocking began in 2023. As the market returned to a normal procurement rhythm after 2024, growth momentum was significantly strengthened. This recovery was driven by the high-speed growth stemming from China's pharmaceutical industry transitioning towards innovation, the continuous expansion of R&D demand for biologics and emerging therapies, as well as technological advancements in areas such as recombinant proteins and supportive policies, all of which fueled the rebound in growth rates. Comparably, China's life science tools market reached USD4.7 billion in 2020 and grew at a CAGR of 10.1% to USD7.7 billion in 2025. This market is projected to reach USD20.4 billion by 2032, with a CAGR of 15.0% from 2025 to 2032. From 2020 to 2023, affected by the pandemic, the Chinese market experienced an initial phase of growth followed by a destocking trend. Since 2024, as the market has gradually recovered from the pandemic and returned to normal procurement dynamics, China's pharmaceutical industry has been undergoing a rapid transformation towards innovation. Against the backdrop of increasing market demand and policy support for basic pharmaceutical research and manufacturing, this transformation is expected to drive the life sciences tools market to achieve a higher CAGR for the period from 2025 to 2032 as compared to the period from 2020 to 2025. The following chart illustrates market size of the global and China's life science tools markets from 2020 to 2032:

Unit: Billion USD

Global and China Life Science Tools Market, 2020 -2032E

Period	CAGR		
	China	ROW	Global
2020 -2025	10.1%	4.3%	5.3%
2025 -2032E	15.0%	4.1%	6.6%



Source: The Company's Annual Reports, Expert Interviews, Frost & Sullivan Report

Growth Drivers and Development Trends of Life Science Tools Market

The key growth drivers of life science tools market are set forth below:

- *Policy Guidance and Government Support:* FDA published its final rule on Laboratory Developed Tests (LDTs) on May 6, 2024, debating the balance between patient safety and quality and innovation which drives cutting-edge and potentially life-saving diagnostics. According to China's "14th Five-Year Plan for Bioeconomic Development," it has been assigned a foundational supporting role in safeguarding cutting-edge research, enhancing biotechnology-driven agriculture and strengthening national biosecurity capabilities. This strategic shift sends a clear signal for independent innovation in core technological tools and industrial upgrading, driving the tools market to evolve from a supportive role in R&D toward becoming strategic infrastructure that empowers the entire bioeconomy ecosystem.

- *Research Strength of Institutions and Universities:* Total global R&D expenditures reached approximately USD3.1 trillion in 2022, with a real-term increase of nearly 200% since 2000. China's scientific research capabilities and technology transfer continue to improve steadily. In 2023, China ranked among the top 15 countries in the Global Innovation Index. The emergence of high-quality innovation creates urgent demand for high-performance, high-specificity tools, offering structurally driven growth opportunities for tool companies with technological advantages. The emergence of AI technology has accelerated the design and development of drug structures, especially the discovery, design and expression of protein structures in biopharmaceuticals. This acceleration in drug development has led to an increased demand for upstream life science tools, particularly reagents such as recombinant proteins and antibodies.

- *Expanding Market Demand and Industrial Development:* Demand for life science tools is underpinned by long-term structural factors, including population aging and rising health awareness, which continue to stimulate sustained investment in life science research and biotechnological innovation. At the same time, closer integration between scientific research and industrial application is accelerating the translation of discoveries into commercial drugs and therapies. This trend enables life science tool providers to become more deeply embedded in customers' innovation pipelines, supporting their transition toward higher-value products and more integrated, solution-oriented offerings.

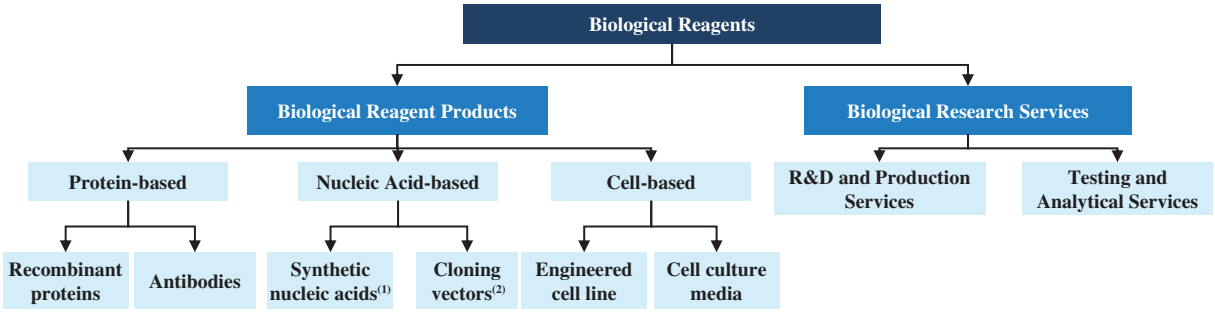
The development trends of life science tools market include:

- *Policy Support and Institutional Optimization:* Continued government investment is expected to provide stable, long-term funding for both basic and applied research, supporting predictable demand for life science tools. At the same time, improvements in research evaluation and stronger intellectual property protection are encouraging tool companies to invest more confidently in long-term R&D and product innovation.
- *Technological Innovation and Breakthroughs:* China's life science research is rapidly advancing in areas such as gene editing, stem cell therapy (a medical treatment that uses stem cells to repair, replace, or regenerate damaged tissues or organs in the body) and immunotherapy, supported by new tools such as single-cell sequencing (a genomic technique that analyzes the genetic material of individual cells, rather than pooling data from many cells together). At the same time, the growing use of AI in research is improving target identification, molecule screening and precision-medicine development, creating demand for more integrated and higher-value tool solutions.
- *Interdisciplinary Integration and Comprehensive Research:* The growing integration of life sciences with physics, chemistry and computational sciences is creating broader demand for advanced tool platforms, including high-precision imaging and novel molecular probes. At the same time, the shift toward system-oriented and multi-dimensional research requires more comprehensive tools and services capable of supporting complex, multi-dimensional data analysis.
- *Industrialization and Commercialization Development:* The acceleration of scientific breakthroughs is increasing the emphasis on technology transfer and industrial application, supporting faster growth in biopharmaceuticals, biotechnology, medical devices and research reagents. As commercialization strengthens, more capital and resources are flowing into life science R&D, deepening the connection between scientific innovation and industrial development.

OVERVIEW OF BIOLOGICAL REAGENTS MARKET

The biological reagents market is a subset of the life science tools market. Biological reagents are substances used in life science research, manufacturing quality inspection and diagnostics to study, detect, manipulate, or analyze biological systems. In terms of biological research services, such services are customized product R&D and manufacturing provided by biological reagent companies to meet clients' specific research needs, or quality control and analytical testing conducted at particular experimental stages to support the client's scientific objectives. The chart below sets forth the basic market segmentation:

Biological Reagents Market: Market Segmentation



Notes:

(1) Artificially designed and chemically synthesized DNA or RNA molecules.

(2) DNA molecules used as carriers to introduce foreign genetic material into a host cell for replication and expression.

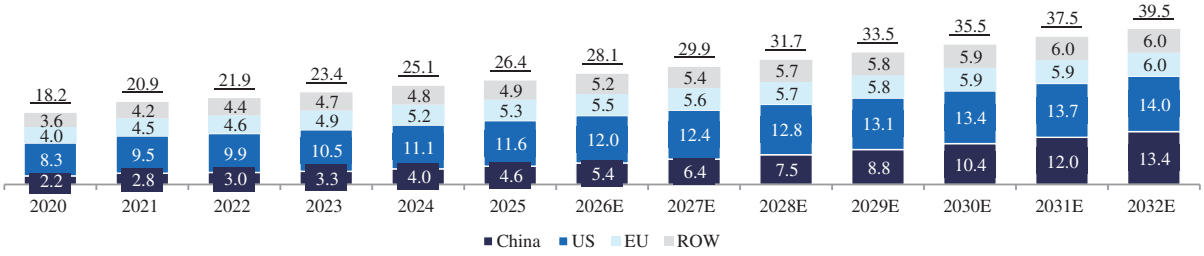
Source: Frost & Sullivan Report

The global and China's biological reagents markets reached USD18.2 billion and USD2.2 billion in 2020 and grew at a CAGR of 7.7% and 16.2% to reach USD26.4 billion and USD4.6 billion in 2025, respectively. The markets are projected to expand further to USD39.5 billion and USD13.4 billion by 2032, with a CAGR of 5.9% and 16.8% from 2025 to 2032. The following chart illustrates the historical and forecast market size of the global and China's biological reagents markets from 2020 to 2032:

Unit: Billion USD

Global and China Biological Reagents Market, 2020 -2032E [1]

Period	CAGR				
	China	US	EU	ROW	Global
2020 -2025	16.2%	6.8%	5.6%	6.1%	7.7%
2025 -2032E	16.8%	2.8%	1.7%	3.0%	5.9%



Source: The Company's Annual Reports, Expert Interviews, Frost & Sullivan Report

Note:

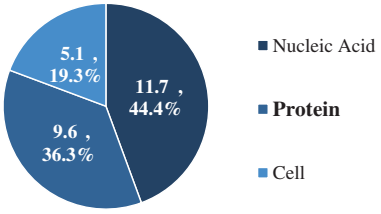
1. Includes only research-grade reagents used by universities, academic and research institutions, hospitals and pharmaceutical companies for teaching, scientific research and R&D projects.

Analysis of the Breakdown of Biological Reagents Market

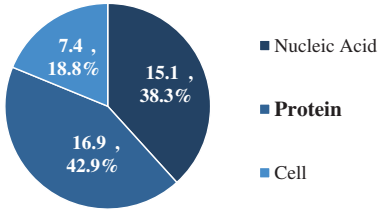
Biological reagents can be categorized into three types, namely, cell-based, protein-based and nucleic acid-based. Protein-based reagents are further divided into antibodies, recombinant proteins and others. In 2025, the protein-based biological reagents segment accounted for 36.3% of overall global biological reagents market in terms of revenue. The global recombinant proteins segment accounted for 36.0% of overall global protein-based biological reagents market in 2025 and to 51.0% in 2032 in terms of revenue. In 2025, recombinant protein reagents accounted for 13.1% of the global biological reagents market, serving as a primary growth engine for the sector. Looking ahead, recombinant proteins are expected to account for an increasing proportion of protein-based reagents and to record the fastest growth among all protein-based reagent categories. The growing share of recombinant protein reagents is primarily driven by technological advancements, which have significantly increased the usage of certain reagents, including enzymes and diagnostic raw materials. The chart below set forth a breakdown of global biological reagents market by product type in terms of revenue in 2025 and 2032:

Unit: Billion USD

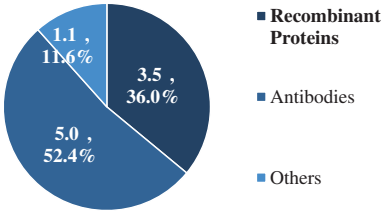
Global Biological Reagents Market by Type, 2025[1,3]



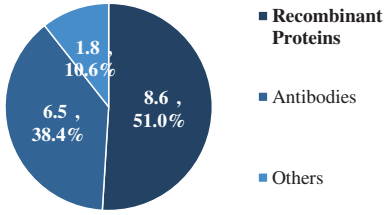
Global Biological Reagents Market by Type, 2032E[1,3]



Global Protein-Based Biological Reagents Market, 2025[1,2]



Global Protein-Based Biological Reagents Market, 2032E[1,2]



Source: The Company's Annual Reports, Expert Interviews, Frost & Sullivan Report

Notes:

1. Includes only research-grade reagents used by universities, academic and research institutions, hospitals and pharmaceutical companies for teaching, scientific research and R&D projects.
2. Others include ELISA protein assay kits and protein microarrays (a high-throughput analytical tool used to study protein interactions, functions and expression profiles on a single platform).
3. Nucleases belong to nucleic acid reagents.

Competitive Landscape of China's Biological Reagents Market

The proportion of top six vendors in China's biological reagents market were 26.6% in 2025 in terms of revenue. We ranked third among all biological reagents providers in China's market with a market share of approximately 2.6% in 2025. The list below sets forth the competitive landscape of biological reagents providers in China's market in terms of revenue in 2025.

Market Share of Biological Reagents Companies in China, 2025[(1)(2)]

Rank	Company	Revenue, Billion RMB	Market Share, %
1	Company A[(3)]	3.2	9.8%
2	Company B[(4)]	2.6	7.8%
3	**Our Company**	**0.8**	**2.6%**
4	Company C[(5)]	0.8	2.5%
5	Company D[(6)]	0.7	2.1%
6	Company E[(7)]	0.6	1.8%
7	Others	23.9	73.4%

Source: Frost & Sullivan Report

Notes:

(1) Includes only research-grade reagents used by universities, academic and research institutions, hospitals and pharmaceutical companies for teaching, scientific research and R&D projects.

(2) Includes the market size of biological reagents sold and manufactured domestically.

(3) Company A is a global leader in serving science, providing analytical instruments, lab equipment, services, diagnostics and life science solutions, based in the US. It was formed in 2006 by the merger of two biotechnology companies (est. 1956 and 1902) and has been listed and traded on the New York Stock Exchange.

(4) Company B was founded in 1668 and based in Germany, focusing on healthcare (medicines), life science (lab supplies) and electronics (specialty materials). Company B is listed on the Frankfurt Stock Exchange.

(5) Company C is a global life science company providing high-quality biological reagents and tools, such as antibodies, proteins and assays, crucial for research, drug discovery and diagnostics, supporting scientists with essential products and technical data. Company C was founded in 1998 and based in the UK, and was acquired by a biotechnology company in 2023.

(6) Company D founded in the PRC, is committed to providing high-quality recombinant protein and antibody reagents and to being a one-stop technical services shop for life science researchers around the world. Company D is listed on the ChiNext Market.

(7) Company E is a leading global supplier of premium life science research reagents, known for high-quality proteins, antibodies, immunoassays (such as ELISAs) and small molecules supporting discovery in cancer, immunology, neurobiology and more. Company E serves as the core brand of a biotechnology corporation, which is based in the US and was founded in 1976.

Key Entry Barriers in Biological Reagents Market

The biological reagents market has high entry barriers due to strict quality standards, continuous innovation needs, strong customer stickiness and the importance of well-developed sales channels. New entrants also face supply chain uncertainty and the need for specialized technical capabilities. The specific entry barriers are set forth below:

- *Stringent Quality Control System:* The core value of biological reagents lies in their activity, specificity and purity. Ensuring consistent quality requires substantial investment in advanced instruments and a professional quality assurance and quality control team to maintain strict batch-to-batch reliability.

- *Sustained Innovation Capability:* As research into disease mechanisms and new therapies progresses, demand is rising for proteins targeting emerging biomarkers. Companies need the ability to rapidly clone, express and purify these novel targets to capture early market opportunities. High-throughput, platform-based workflows enable efficient development and production of a broad protein portfolio, supporting diverse needs across research, manufacturing and clinical applications.

- *High Customer Stickiness:* In long-term research, reagents become closely tied to established protocols, instrument settings and analytical methods. Changing them often requires reoptimizing the entire workflow, which can disrupt data continuity and undermine comparability with past results, risks that academic and industry users are unwilling to take.

- *Sales Network and Channel Development:* Most biological reagents need to be stored and transported at low temperature, which requires companies to build or partner to maintain a reliable end-to-end cold chain system, involving significant capital and operating costs. For the broad and fragmented base of small and medium sized customers, an efficient distributor and agent network is also essential for effective market coverage.

Growth Drivers and Development Trends of Biological Reagents Market

The key growth drivers of biological reagents market are set forth below:

- *Policy Support:* National policies continue to stimulate research investment and innovation, with steady government funding for universities and institutes directly supporting demand for upstream research products such as biological reagents. At the same time, regulatory reforms including the expedited review pathway under Regulations on the Management of Clinical Research and Clinical Translation of New Biomedical Technologies (《生物醫學新技術臨床研究和臨床轉化應用管理條例》) are accelerating the development of biomedicine and cell therapy, further driving sustained growth in demand for related reagents and raw materials.

- *Advances in Scientific Research Technologies:* Breakthroughs in biotechnology, neuroscience and proteomics are increasing demand for high-performance reagents, especially antibody related products used in targeted therapies. At the same time, domestic research capabilities continue to improve as Chinese reagent manufacturers advance molecular diagnostics (a laboratory technique that analyzes biological markers in the genome and proteome to diagnose and monitor diseases, detect risk and guide treatment decisions) and expand their product portfolios, supporting steady market growth.
- *Improvements in Production Processes:* Automation is improving reagent production by enhancing efficiency, consistency and throughput. Growing quality requirements and rising research and industrial investment are also increasing demand for intelligent and centralized production systems that support more reliable and scalable manufacturing.
- *Cultivation of High-Tech Talent:* The expansion of higher education is increasing the supply of trained researchers and laboratory professionals, supporting continued scientific development. At the same time, the shift from labor intensive to knowledge intensive work is improving the efficiency and quality of biological reagent research and manufacturing.
- *AI-Empowered Innovation:* The increasing application of AI in protein and antibody sequence design is accelerating discovery cycles and driving additional downstream wet-lab validation, thereby increasing demand for biological reagents. AI is also increasingly applied to the development and optimization of biological reagents, including culture media and affinity proteins, enhancing their performance and facilitating the development of a broader range of products.

The development trends of biological reagents market include:

- *Domestic Substitution and Overseas Expansion:* Import substitution is accelerating as domestic research and manufacturing capabilities improve, enabling Chinese reagent producers to replace more imported high-end products through competitive pricing and better quality. As local companies reach stronger technological and quality levels, they are also expected to grow their overseas presence by using cost advantages and local innovation to capture new market opportunities.
- *Localized Products and Services:* In the domestic market, companies can develop reagents tailored to local disease models, biomarkers and drug targets while using local manufacturing cost advantages to offer more competitive pricing than imported brands. In overseas markets, success requires understanding local disease profiles, research practices and regulatory requirements, combined with localized production and fast after-sales support to enable more efficient international expansion.
- *Diversified Collaboration and Customization:* Collaborative research models are expanding as reagent companies work more closely with research institutions and industrial users through joint development, CRO services and integrated biopharmaceutical R&D. At the same time, demand for customized reagents is rising as precision medicine and targeted therapies require tailored recombinant proteins, antibodies and cell or gene products for specific research and clinical needs.
- *Platform-Based R&D Development:* Advances in automated manufacturing and integrated quality systems are allowing reagent companies to scale more efficiently while maintaining consistent performance and reliability. At the same time, leading companies are building broader research ecosystems, moving from single product suppliers to integrated platforms that combine reagent development, analytical testing and technical services to strengthen innovation and competitiveness.

OVERVIEW OF RECOMBINANT PROTEIN REAGENT MARKET

Recombinant proteins are proteins produced via genetic and cellular engineering technologies, derived from biological sources. Specifically, living cells can synthesize and assemble proteins according to the provided genetic templates ("**DNA**"). Unlike proteins, DNA sequences can be readily synthesized using well-established recombinant technologies. Therefore, the DNA sequence of a specific gene can serve as a template for subsequent protein expression, and the proteins produced from these DNA templates are known as recombinant proteins.

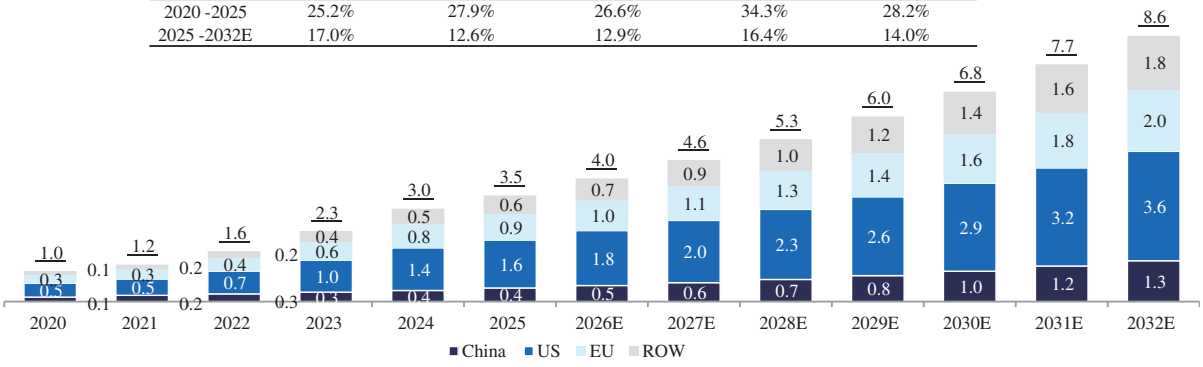
Recombinant protein technology enables the synthesis and regulation of proteins according to their functional roles in cells. Applications span from functional research to large-scale production for structural analysis and drug development. Recombinant protein reagents mainly serve two types of customers. The first type of customers includes academic and research institutions or university laboratories oriented toward fundamental life science research, primarily focusing on biological mechanisms with limited application orientation. The second type of customers consists of biotechnology companies and pharmaceutical enterprises driven by drug discovery and development, conducting research with strong translational and application value to support therapeutic innovation.

The global and China's recombinant protein markets reached USD1.0 billion and USD0.1 billion in 2020 and grew at a CAGR of 28.2% and 25.2% to reach USD3.5 billion and USD0.4 billion in 2025, respectively. The markets are projected to expand further to USD8.6 billion and USD1.3 billion by 2032, with a CAGR of 14.0% and 17.0% from 2025 to 2032. The following chart illustrates the historical and forecast market size of the global and China's recombinant protein markets from 2020 to 2032:

Unit: Billion USD

Global and China Recombinant Protein Reagents Market, 2020 -2032E [1]

Period	CAGR				
	China	US	EU	ROW	Global
2020 -2025	25.2%	27.9%	26.6%	34.3%	28.2%
2025 -2032E	17.0%	12.6%	12.9%	16.4%	14.0%



Source: The Company's Annual Reports, Expert Interviews, Frost & Sullivan Report

Note:

(1) Includes only research-grade reagents used by universities, academic and research institutions, hospitals and pharmaceutical companies for teaching, scientific research and R&D projects.

Competitive Landscape of Global and China's Recombinant Protein Market

The proportion of top four vendors in global recombinant protein market was 38.0% in 2025 in terms of revenue. In global recombinant protein market, we ranked third among all providers and first among all China-based providers with a market share of approximately 2.7% globally.

The list below sets forth the competitive landscape of global and China's recombinant protein reagents market in terms of revenue in 2025.

Market Share of Global Recombinant Protein Reagents Companies, 2025[1]

Rank	Company	Revenue, Billion USD	Market Share, %
1	Company E[5]	0.7	20.0%
2	Company A[3]	0.4	13.0%
3	**Our Company**	**0.1**	**2.7%**
4	Company B[4]	0.1	2.3%
5	Others	2.1	62.0%

Market Share of Recombinant Protein Reagents Companies in China, 2025[2]

Rank	Company	Revenue, Billion RMB	Market Share, %
1	Our Company	0.7	21.9%
2	Company E[5]	0.3	10.3%
3	Company D[6]	0.3	10.0%
4	Company A[3]	0.3	9.4%
5	Others	1.5	48.4%

Source: Frost & Sullivan Report

Notes:

(1) Excludes recombinant protein diagnostic reagents used in industrial production.

(2) Includes export revenue from Chinese enterprises.

(3) Company A is a global leader in serving science, providing analytical instruments, lab equipment, services, diagnostics and life science solutions, based in the US. It was formed in 2006 by the merger of two biotechnology companies (est. 1956 and 1902) and has been listed and traded on the New York Stock Exchange.

(4) Company B was founded in Germany, focusing on healthcare (medicines), life science (lab supplies) and electronics (specialty materials). Company B is listed on the Frankfurt Stock Exchange.

(5) Company E is a leading global supplier of premium life science research reagents, known for high-quality proteins, antibodies, immunoassays (such as ELISAs) and small molecules supporting discovery in cancer, immunology, neurobiology and more. Company E serves as the core brand of a biotechnology corporation, which is based in the US and was founded in 1976.

(6) Company D founded in the PRC, is committed to providing high-quality recombinant protein and antibody reagents and to being a one-stop technical services shop for life science researchers around the world. Company D is listed on the ChiNext Market.

Key Entry Barriers in Recombinant Protein Market

The industry barriers to the development and commercialization of recombinant proteins span technical, economic and regulatory challenges, including enhancing cost-effectiveness, developing high-barrier specialty products, implementing localized strategies and establishing portfolio strategy.

- *Cost-effectiveness Barrier:* Leading companies have built high throughput protein expression and purification platforms that significantly lower the average R&D cost per protein. With mature large scale cell culture and purification systems, the unit cost of producing each batch at scale is far lower than that of small-scale production, further improving overall cost efficiency.
- *Customization Strategy:* Companies now provide not only standard protein products but also customized protein services, analytical testing, assay kit development and other value-added solutions to address specific customer needs. By offering integrated solutions and complete workflows, competition shifts from single product performance to a broader comparison of system capabilities, service quality and overall ecosystem strength.
- *Localized Insights:* Life science research priorities and disease profiles vary by region. The ability to rapidly respond and develop proteins targeting these region-specific biomarkers is key to winning local customers. Industry participants' deep insights into and accumulated experience in the local recombinant proteins market have established their unique competitive advantages and barriers to entry in the region.
- *High-Barrier Specialty Domain:* Developing technically challenging proteins, such as membrane proteins, multi-subunit complexes and viral proteins, requires advanced expression and purification capabilities to maintain proper activity and structure. Mastery of these difficult targets creates a meaningful technical barrier, allowing companies to distinguish themselves from commoditized competitors and build a strong technology-driven brand.

Growth Drivers and Development Trends of Recombinant Protein Market

The key growth drivers of recombinant protein market are set forth below:

- *Innovation in Biopharmaceutical Therapies:* China's strategic policies, including the Strategic Emerging Industries Catalogue and the national plans for biotechnology innovation, prioritize new vaccines, antibody development and immunotherapy, all of which rely heavily on recombinant protein technologies and drive reagent demand. Growing capital investment in biopharmaceutical research, especially in oncology and immune diseases, is also accelerating early-stage drug development, where recombinant target proteins play a central role, further supporting market growth.
- *Advancing Technological Capabilities:* Advances in scientific equipment and experimental methods are enabling deeper study of biological mechanisms and increasing demand for protein related reagents in life science research. Improvements in protein expression, purification and analytical technologies are also enhancing protein activity and yield, supporting both basic research and applied drug development.
- *Expanding Downstream Market Demand:* Policy reforms that encourage collaboration between universities and industry are promoting technology transfer and creating additional demand for biological reagents. Growing public health needs and recurring virus-related emergencies are also increasing focus on viral protein research and therapeutic antibody development, further expanding the market for recombinant protein reagents.

The development trends of recombinant protein market include:

- *Product Quality and Integrated Solutions*: Rising competition is increasing the importance of high product quality and stable performance as the core foundation for long-term growth in recombinant protein reagents. Companies are placing greater emphasis on customer needs by designing products suited to both research and industrial applications, strengthening brand

recognition. At the same time, the market is shifting from single product sales to integrated service models that combine research support, technical assistance and application guidance, helping improve customer loyalty and overall service value.

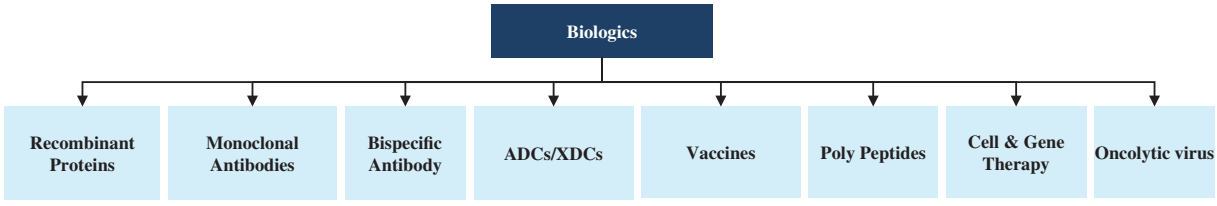
- *Technology Platforms Driving New Product Development:* Continuous improvements in research equipment and experimental platforms are strengthening China's capabilities in protein expression, purification and analysis, supporting faster technological upgrading. Growing R&D investment and the development of integrated innovation platforms across molecular biology, cell culture, purification and analytical technologies are enabling the launch of more high performance recombinant proteins. At the same time, strong momentum in antibody drugs, vaccines and immunotherapy is increasing the need for high-quality recombinant protein reagents, driving ongoing product innovation and refinement.
- *Downstream Collaboration and Coordinated Innovation:* Policies that encourage collaboration between academia and industry are enabling research institutions to take a more active role in industrial R&D. Stronger links among research institutes, reagent producers and pharmaceutical companies are creating a more coordinated innovation ecosystem that improves efficiency from discovery to application. As domestic enterprises enhance their technological capabilities and quality control, import substitution is gaining momentum, expanding local market share and supporting sustainable industry growth.

OVERVIEW OF BIOLOGICS MARKET

As the downstream market of the biological reagents market in which we operate, the expansion of the biologic drug industry is a major driver of growth in the biological reagents market. Biologic drug R&D relies heavily on high-quality reagents for target discovery, mechanism studies, process development, analytical testing and quality control. As downstream fields such as antibody drugs, XDCs/ADCs and cell and gene therapies continue to grow in scale and complexity, their increasing need for specialized reagents directly stimulates demand for upstream products. This strong dependence on biological reagents positions the upstream market as an essential foundation for innovation across the entire biologics industry and supports sustained market growth.

The chart below sets forth the basic segmentation of biologics market:

Biologics Market: Market Segmentation, Global



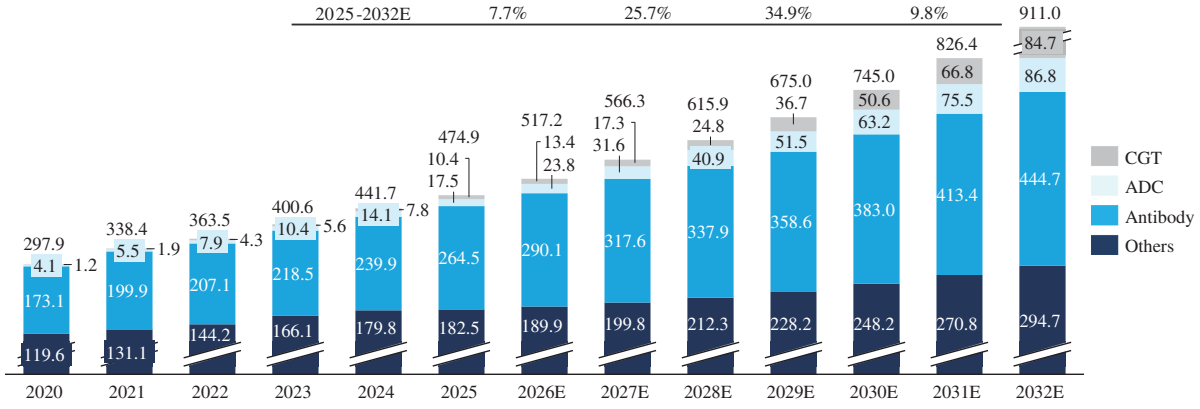
Source: FDA, Frost & Sullivan analysis

Driven by factors such as rising healthcare demand and an increasingly robust regulatory framework, the biopharmaceutical market is growing at a CAGR significantly higher than the average growth rate of the overall pharmaceutical market from 2020 to 2030. The global biologics market reached USD474.9 billion in 2025 and is projected to reach USD911.0 billion by 2032, representing a CAGR of 9.8%. Comparably, benefiting from enhanced healthcare reimbursement capacity and an expanding patient population, the biologics market in China reached RMB523.9 billion in 2025. China's market is projected to grow further to RMB1,275.3 billion by 2032, at a CAGR of 13.6%. The following charts illustrate the historical and forecast market size of the global and China's biologics markets from 2020 to 2032:

Global Biologics Drug Market, 2020 -2032E

Unit: Billion USD
At Wholesale Price Level

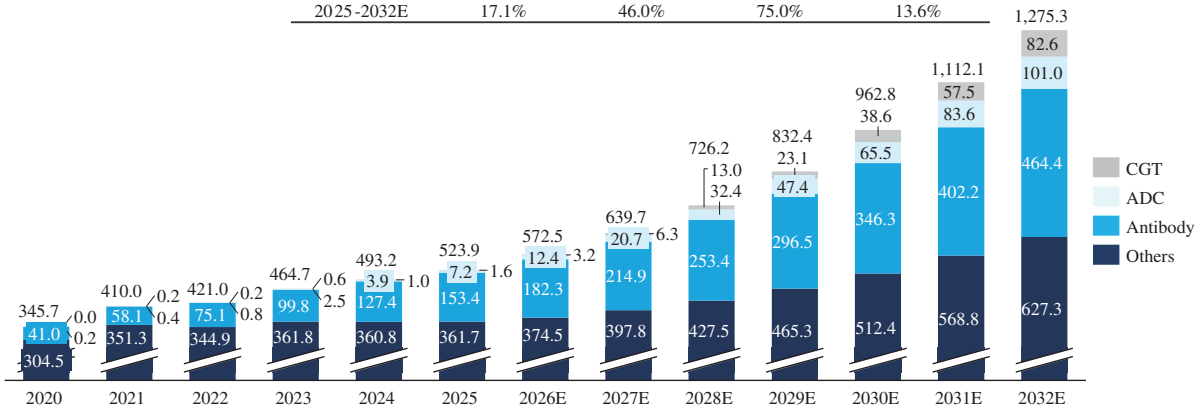
Period	CAGR			
	Antibody	ADC[1]	CGT	Total
2020 -2025	8.9%	33.9%	54.7%	9.8%
2025 -2032E	7.7%	25.7%	34.9%	9.8%



Biologics Drug Market in China, 2020 -2032E

Unit: Billion RMB
At Ex-Factory Price Level

Period	CAGR			
	Antibody	ADC[1]	CGT	Total
2020 -2025	30.2%	113.5%	106.9%	8.7%
2025 -2032E	17.1%	46.0%	75.0%	13.6%



1. Currently, there are no biologics other than ADCs approved within the XDC category.

Source: The Company's Annual Reports, Expert Interviews, Frost & Sullivan Report

Note:

(1) The difference in price definitions between the global and Chinese markets is primarily attributable to variations in their respective pharmaceutical business models. Globally, the wholesale price refers to the price at which pharmaceutical companies sell drugs directly to downstream wholesalers. In China, the ex-factory price is defined as the company's cost plus a reasonable profit margin. Although these terms differ in nomenclature, they essentially reflect the direct pricing of pharmaceutical products by manufacturers.

Overview of the Biologics Market by Drug Type

Antibody Drugs

Monoclonal antibody drugs (treatments based on laboratory-engineered proteins designed to mimic the natural antibodies produced by immune system) offer significantly higher clinical value compared with traditional chemical drugs due to their strong specificity and high affinity for target antigens, making them essential in disease diagnosis and treatment, particularly in oncology.

China's aging population and the rising incidence and mortality of tumors continue to drive strong demand for monoclonal antibodies across applications such as preventive vaccines, hormone deficiency treatments, molecular diagnostics and tumor therapy. The global oncology drug market is already dominated by antibody therapeutics, and ongoing technological advances are enabling the constant emergence of new targets, new antibody formats and antibody drug conjugates. As a result, antibody drugs, especially those used in tumor treatment, are expected to maintain substantial growth potential in the years ahead.

ADC Drugs

Antibody drug conjugates, or ADCs, are complex therapeutic molecules consisting of a monoclonal antibody linked to a biologically active anticancer agent. The antibody component selectively binds to antigens expressed on target cells, ensuring precise delivery of the cytotoxic drug. After binding, the ADC is internalized into the cell, where the active drug is released and induces cell death, enabling effective tumor killing while minimizing systemic exposure.

By combining a highly specific targeting molecule with a potent drug conjugate, the X-drug conjugates ("**XDC**") model enables accurate identification and elimination of tumor cells using smaller drug doses, while achieving improved therapeutic outcomes and reduced systemic toxicity. This targeted mechanism positions XDCs as an important advancement in next generation oncology therapeutics.

Cell and Gene Therapy ("CGT")

CGT integrates gene-based and cell-based therapeutic approaches to achieve disease modifying or potentially curative outcomes. Gene therapy treats disease by altering genetic material, either in vivo through direct delivery into the body or ex vivo by modifying cells outside the body and reinfusing them. Cell therapy introduces living cells, such as stem cells or engineered immune cells, to repair tissue, regulate immune responses, or target cancer.

PRC

Regulations on Import and Export of Goods

Import and Export of Goods

According to the Customs Law of the PRC (《中華人民共和國海關法》) promulgated by the Standing Committee of the National People's Congress on January 22, 1987, and last amended and implemented on April 29, 2021, unless provided otherwise, customs declaration and tax payment procedures may be completed by consignees and consignors themselves or by an entrusted customs declaration enterprise. Both consignees of imported goods and consigners of exported goods shall make a truthful declaration and submit their import or export licenses and relevant papers to the customs authority for examination. Pursuant to the Administrative Provisions of the Customs of the PRC on Record-Filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs on November 19, 2021 and effective on January 1, 2022, the consignees or consignors of imported or exported goods as well as the customs declaration enterprises engaged in customs declaration shall carry out the record-filing procedures with the relevant customs administrative department.

Regulations on Environmental Protection

Environmental protection

According to the Environmental and Ecological Protection Code of the PRC (《中華人民共和國生態環境法典》), promulgated by the National People's Congress on March 12, 2026 and effective from August 15, 2026, entities and individuals that discharge pollutants shall take effective measures to prevent and control air pollution, water pollution, soil pollution, solid waste pollution, noise pollution and other environmental pollution generated in the course of production, daily life and other activities. The PRC establishes and improves a regulatory and supervisory system for stationary pollution sources centered on the pollutant discharge permit system, and implements pollutant discharge registration administration for entities that generate and discharge only small amounts of pollutants and have minimal impact on the ecological environment.

Pollution Permits and Discharge Permits

According to the Environmental and Ecological Protection Code and the Regulations on the Administration of Pollutant Discharge Permits (《排污許可管理條例》), promulgated by the State Council on January 24, 2021 and effective from March 1, 2021, enterprises, public institutions and other producers and operators that are subject to pollutant discharge permit administration are prohibited from discharging pollutants without obtaining a pollutant discharge permit. Individuals or enterprises that violate the Environmental and Ecological Protection Code are subject to administrative penalties imposed by the competent ecology and environment authorities in accordance with law.

Regulations on Labor and Social Security

Labor Relations

According to the Labor Law of the PRC (《中華人民共和國勞動法》) promulgated by the Standing Committee of the National People's Congress on July 5, 1994, came into effect on January 1, 1995, and was last revised on December 29, 2018, the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), which was promulgated by the Standing Committee of the National People's Congress on June 29, 2007, last revised on December 28, 2012, and effective on July 1, 2013, and the Implementation Regulations on Labor Contract Law of China (《中華人民共和國勞動合同法實施條例》) promulgated and effective by the State Council on September 18, 2008, labor contracts in written form shall be executed to establish labor relationships between employers and employees.

Social Insurance and Housing Provident Fund

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) promulgated by the Standing Committee of the National People's Congress on October 28, 2010, last amended on December 29, 2018 and effective on the same date, employers must contribute to certain social insurance funds on behalf of employees (including basic pension insurance, unemployment insurance, basic medical insurance, work-related injury insurance and maternity insurance). When an employer fails to pay social insurance contributions on time and in full, the social insurance contributions collecting agency shall place an order with the employer demanding full payment within a prescribed period, and an overdue payment fine at the daily rate of 0.05% shall be levied from the date of indebtedness. When the payment is not made at the expiry of the prescribed period, a fine ranging from one to three times of the amount overdue imposed by the administrative department.

On July 31, 2025, the Supreme People's Court of China promulgated the Interpretation of the Supreme People's Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (II) (《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)》) , referred to as the New Judicial Interpretation, which came into effect from September 1, 2025. The New Judicial Interpretation clarifies that if an employer and an employee agree or the employee undertakes that social insurance contributions need not be paid, the People's Court shall deem such agreement or undertaking invalid. Furthermore, where an employer fails to pay social insurance contributions in accordance with the law, and the employee seeks to terminate the labor contract and claims economic compensation from the employer, the People's Court shall support such claims in accordance with the law.

According to the Regulation on the Administration of Housing Provident Fund (《住房公積金管理條例》) promulgated by the State Council on April 3, 1999 and amended on August 10, 2026, with such amendments taking effect on September 20, 2026, an employer shall complete registration of contribution to the housing provident fund with the housing provident fund management center and handle the procedures for opening housing provident fund accounts on behalf of the employees. If an employer fails to handle the housing provident fund contribution registration or fails to establish housing provident fund accounts for its employees, the housing provident fund management center shall order rectification within a prescribed time limit in which case, a fine of more than RMB50,000 and less than RMB300,000 shall be imposed when rectification is overdue. If an employer fails to pay or underpays the housing provident fund within the prescribed time limit, the housing provident fund management center shall order the employer to pay within a prescribed time limit. When the contribution to the housing provident fund has not been made after the expiration of the time limit, an application may be made to a people's court for mandatory enforcement.

Production Safety Regulations

Production Safety

According to the Production Safety Law of the PRC (《中華人民共和國安全生產法》) promulgated by the Standing Committee of the National People's Congress on June 29, 2002, last amended on June 10, 2021 and effective on September 1, 2021, enterprises engaged in production activities must strengthen production safety management, establish and improve a production safety responsibility system covering all the staff, and ensure a safe production environment. The state implements the system of accountability for accidents related to production safety. For those who violate the provisions of the Production Safety Law, the production safety supervision and management department may issue rectification orders, impose fines, order suspension of production for rectification, or revoke relevant licenses. The R&D of new drugs involves the use of some hazardous chemicals, and their storage and use must comply with the requirements of applicable regulations. According to the Regulations on the Safety Management of Hazardous Chemicals (《危險化學品安全管理條例》) promulgated by the State Council on January 26, 2002, effective on March 15, 2002, and last amended and effective on December 7, 2013, the production, storage, use, operation, and transportation of hazardous chemicals must be in accordance with the safety management regulations.

Regulations on Prevention and Control of Occupational Diseases

Pursuant to the Law of the PRC on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》) promulgated by the SCNPC on October 27, 2001, came into effect on May 1, 2002, and last amended and came into effect on December 29, 2018, an employer shall establish and improve the accountability system on prevention and control of occupational diseases, enhance the management in this regard, improve the level of prevention and control of occupational diseases, and shall be liable for the occupational disease hazards arising from the employer.

Regulatory Provisions on Drug and Medical Device R&D of Major Customers Related to Us

The Company's main products include biological reagents, such as recombinant proteins, antibodies, cell lines, cell isolation and culture products, as well as laboratory testing kits. In addition to the aforementioned products, the Company also provides customized development and analytical testing services. None of the Company's products or services are directly applied in clinical treatment or diagnosis, and there is no requirement to obtain specific production and service qualifications. The current launch of the Company's main products is not subject to mandatory registration requirements; therefore, there is no supervision over the Company by relevant industry competent authorities or under applicable laws and regulations. The Company's end customers mainly include biopharmaceutical companies, scientific research institutions, etc. The R&D and production activities of the customers in respect of products such as drugs and diagnostic reagents are supervised by relevant regulatory authorities and under applicable laws and regulations, including the National Medical Products Administration (the "**NMPA**"; formerly known as the State Food and Drug Administration (the "**SFDA**")), the National Health Commission (hereinafter referred to as the "NHC"; formerly known as the National Health and Family Planning Commission), and the National Healthcare Security Administration. As the Company's main products are used by customers as scientific research tools or production raw materials, the requirements under relevant laws and regulations may be transmitted to the customers, which may then impose corresponding requirements on the Company regarding product quality, verification data and services.

Clinical Research on New Biomedical Technologies

On September 28, 2025, the State Council of the PRC promulgated the Regulations on the Administration of Clinical Research and Clinical Translation Application of New Biomedical Technologies(《生物醫學新技術臨床研究和臨床轉化應用管理條例》), which shall come into force on

May 1, 2026. These Regulations are formulated to standardize the clinical research of new biomedical technologies, promote the progress and innovation of medical science and technology, ensure the safety of medical quality, and safeguard human dignity and health. For the purpose of these Regulations, "new biomedical technologies" refer to professional medical methods and measures that, for the purposes of determining health status, preventing and treating diseases, or promoting health, apply biological principles to act on the cellular and molecular levels of the human body and have not yet been applied in clinical practice within the territory of China. The health department of the State Council shall be responsible for the supervision and administration of clinical research on new biomedical technologies nationwide.

R&D of New Drugs

Pursuant to the Drug Administration Law of the PRC (《中華人民共和國藥品管理法》) (promulgated by the Standing Committee of the National People's Congress (the "**NPC Standing Committee**") on September 20, 1984, entered into force on July 1, 1985, and revised on February 28, 2001, December 28, 2013, April 24, 2015, and August 26, 2019), any entity or individual conducting drug clinical trials shall truthfully submit relevant data, materials and samples such as R&D methods, quality indicators, and pharmacological and toxicological test results in accordance with the provisions of the drug regulatory department of the State Council, and obtain approval from the drug regulatory department of the State Council. Drugs to be marketed within the territory of China shall be approved by the drug regulatory department of the State Council and obtain a drug registration certificate.

Non-Clinical Research

The non-clinical safety evaluation of drugs for marketing authorization shall be conducted in accordance with the Good Laboratory Practice for Non-Clinical Studies (GLP), which was promulgated by the SFDA on August 6, 2003, and most recently revised by the SFDA on July 27, 2017 (entering into force on September 1, 2017). On January 19, 2023, the NMPA revised the Measures for the Administration of Certification of Good Laboratory Practice for Non-Clinical Studies, which entered into force on July 1, 2023 and contains requirements for institutions applying for GLP certification to conduct non-clinical drug studies.

Drug Clinical Trials

Pursuant to the Measures for the Administration of Drug Registration (2020) (《藥品註冊管理辦法》(2020年)), clinical trials are categorized into Phase I, Phase II, Phase III, Phase IV, and bioequivalence trials. The Center for Drug Evaluation (CDE) of the NMPA is responsible for the evaluation of applications including drug clinical trial applications, new drug marketing authorization applications, supplementary applications, and re-registration applications for drugs produced overseas. After an applicant completes pharmaceutical, pharmacotoxicological, and other studies to support a drug clinical trial and submits a drug clinical trial application, the applicant shall provide relevant research data in accordance with the requirements for application materials. If the application materials meet the requirements upon formal review, the application shall be accepted. The CDE shall organize pharmaceutical, medical, and other technical personnel to conduct an evaluation of the accepted drug clinical trial applications.

Clinical Trials of Medical Devices

Pursuant to the Measures for the Administration of Registration and Filing of Medical Devices (《醫療器械註冊與備案管理辦法》), before conducting a clinical trial of a medical device, the sponsor of the clinical trial shall file the clinical trial with the provincial branch of the NMPA that has

jurisdiction over the applicant. For Class III medical devices whose clinical trials pose relatively high risks to the human body, the applicant shall obtain approval from the NMPA before conducting the clinical trials.

On March 24, 2022, the NMPA and the National Health Commission (NHC) jointly issued the Good Clinical Practice for Medical Device Clinical Trials (《醫療器械臨床試驗質量管理規範》), which entered into force on May 1, 2022. According to this Code, all activities related to clinical trials of medical devices (including in vitro diagnostic reagents) conducted within the territory of the PRC for the purpose of applying for registration shall comply with the provisions of the Good Clinical Practice for Medical Device Clinical Trials. This Code covers the entire process of medical device clinical trials, including the design, implementation, supervision, inspection, data collection, data recording, data storage, data analysis, data compilation, and data reporting of medical device clinical trials.

Regulation of Laboratories

The PRC conducts multi-level management of all laboratories engaged in teaching, testing, diagnosing and other activities related to bacterial and viral pathogen infection or pathogenic microbial samples. Pursuant to the regulations on the Bio-safety Management of Pathogenic Microbe Laboratories (《病原微生物實驗室生物安全管理條例》) issued by the State Council on November 12, 2004, amended on August 8, 2026 and effective from August 15, 2026, the pathogenic microorganism laboratories are classified into Bio-safety Level 1, Bio-safety Level 2, Bio-safety Level 3 and Bio-safety Level 4 in accordance with its biosafety level for pathogenic microorganisms and the national standards for the bio-safety. Experimental activities relating to pathogenic microbes shall be conducted in laboratories at the corresponding bio-safety level.

Foreign Investment Regulations in the Territory of China

Foreign Investment Law and Its Implementation Regulations

Pursuant to the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) promulgated by the National People's Congress (the "NPC") on March 15, 2019 and effective on January 1, 2020, and the Regulations for Implementation of the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) promulgated by the State Council on December 26, 2019 and effective on January 1, 2020, the "foreign investment" refers to the investment activities in China carried out directly or indirectly by foreign natural persons, enterprises or other organizations. The State adopts the pre-entry national treatment and negative list management system for foreign investment. Pre-entry national treatment refers to the treatment accorded to foreign investors and their investments at the investment admission stage which is no less favorable than the treatment accorded to domestic investors and their investments. Negative list management system refers to special administrative measures imposed on the entry of foreign investment in specific sectors in accordance with specific foreign investment industry policies. Foreign investors are prohibited from investing in any of the prohibited investment areas listed on the negative list and are required to meet the conditions set out in the negative list before investing in any of the restricted investment areas. Investments, profits, and other legitimate rights and interests of foreign investors in China are protected by laws and various national policies supporting the development of enterprises are equally applicable to foreign-funded enterprises. The State guarantees the equal participation of foreign-funded enterprises in the formulation of standards and strengthens the information disclosure and social supervision of standard formulation. Except under special circumstances, the State shall not expropriate any overseas investment.

Industrial Policies Governing Foreign Investments

The investment activities of foreign investors in China are mainly governed by the Catalogue of Industries for Encouraging Foreign Investment (2025 Version) (《鼓勵外商投資產業目錄(2025年版)》) and Special Administrative Measures for the Access of Foreign Investment (Negative List) (2024

Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》), which were respectively promulgated by the MOFCOM and the NDRC on December 15, 2025 and February 1, 2026, and entered into force on January 1, 2023 and November 1, 2024 respectively. The Catalogue and the Negative List stipulate industries in which foreign investment is encouraged, restricted and prohibited. Unless otherwise specifically restricted by other PRC rules and regulations, foreign investment is generally permitted in industries not listed in any of these three categories. Pursuant to the Notice on Expanding Pilots of Opening-up in the Healthcare Sector (Shang Zi Han [2024] No.568) issued by the Ministry of Commerce, the NHC and the NMPA on September 7, 2024, foreign-invested enterprises are allowed to engage in the development and application of human stem cells, gene diagnosis and treatment technologies, for the purpose of product registration, marketing and manufacturing, in China (Beijing) Pilot Free Trade Zone, China (Shanghai) Pilot Free Trade Zone, China (Guangdong) Pilot Free Trade Zone and Hainan Free Trade Port.

As advised by our PRC Legal Advisor, the business sectors in which we engage fall outside the scope of the negative list for foreign investment access as stipulated in the Foreign Investment Law of the PRC, and do not involve any prohibited or restricted foreign investment sectors set forth in the Special Administrative Measures for the Access of Foreign Investment (Negative List) (2024 Version).

Regulations Relating to Overseas Investment

Pursuant to the Measures for the Administration of Overseas Investment (《境外投資管理辦法》) promulgated by the MOFCOM on September 6, 2014 and entered into force on October 6, 2014, the MOFCOM and the competent commerce authorities at the provincial level shall implement recordation and confirmation management, depending on different circumstances of enterprises' overseas investment. Overseas investment involving any sensitive country or region or any sensitive industry shall be subject to confirmation management. Overseas investment under other circumstances shall be subject to recordation management.

Pursuant to the Measures for the Administration of Overseas Investment by Enterprises (《企業境外投資管理辦法》) issued by the NDRC on December 26, 2017 and entered into force on March 1, 2018, enterprises established within the territory of China (the "**Investors**") making overseas investment shall go through necessary approval or filing procedures of the relevant overseas investment projects (the "**Projects**"). In addition, the Investor is required to report relevant information and cooperate with the ongoing supervision and inspection. Sensitive projects conducted by the Investor directly or through overseas enterprises controlled by them shall be subject to approval management; non-sensitive projects directly conducted by the Investor, namely, non-sensitive projects involving the Investor's direct investment of assets, equity or the provision of financing or guarantee, shall be subject to record management. The above-mentioned sensitive projects include projects involving sensitive countries or regions or sensitive industries. The Catalogue of Sensitive Industries for Overseas Investment (2018 Version) (《境外投資敏感行業目錄(2018年版)》) issued by the NDRC entered into effect on March 1, 2018, detailing the specific sensitive industries.

Intellectual Property Regulations

Trademark

Trademarks are protected by the Trademark Law of the PRC (《中華人民共和國商標法》) (promulgated on August 23, 1982, by the SCNPC and subsequently amended on February 22, 1993, October 27, 2001, August 30, 2013 and April 23, 2019, respectively), as well as the Implementation Regulations of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) (promulgated on August 3, 2002, by the State Council and amended on April 29, 2014). The Trademark Office handles trademark registrations and grants a term of ten years to registered trademarks and another ten years if requested upon expiry of the first or any renewed ten-year term. Trademark registrant may license its registered trademark to another party by entering into a trademark license agreement. Trademark license

agreements must be filed with the Trademark Office for recordation. The licensor shall supervise the quality of the commodities on which the trademark is used, and the licensee shall guarantee the quality of relevant commodities.

Patent

Pursuant to the Patent Law of the PRC (《中華人民共和國專利法》) promulgated by the SCNPC on March 12, 1984, most recently amended on October 17, 2020 with the amended version taking effect on June 1, 2021, and the Implementing Regulations of the Patent Law of the PRC (《中華人民共和國專利法實施細則》) promulgated by the State Council on December 21, 1992 and January 9, 2010 and most recently amended on December 11, 2023, patents in China shall be classified into three categories: invention, utility model and design. The duration of patent rights for invention shall be twenty years, for utility model shall be ten years, and for design shall be fifteen years, all commencing from the date of filing.

Copyright and Software Product

On September 7, 1990, the SCNPC promulgated the Copyright Law of the PRC (《中華人民共和國著作權法》), which came into force on June 1, 1991 and was subsequently amended on October 27, 2001, February 26, 2010 and November 11, 2020. The Copyright Law of the PRC stipulates that works of Chinese citizens, legal persons or other organizations, including (inter alia) literary, artistic, natural science, social science, engineering and technological works and computer software, shall enjoy copyright protection regardless of whether they have been published. In addition, internet activities, products disseminated through the internet, and software products shall also enjoy copyright protection. There is a voluntary registration system administered by Copyright Protection Center of China.

Domain Name

Pursuant to the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》) (promulgated by the Ministry of Industry and Information Technology on August 24, 2017 and effective as of November 1, 2017), the domain name registration service shall be conducted following the principle of "apply first, register first"; where the relevant implementing rules for domain name registration provide otherwise, such provisions shall prevail. An applicant shall be deemed as the domain name holder upon completion of the registration.

Regulations Relating to Data Security and Privacy Protection

The Data Security Law of the PRC (《中華人民共和國數據安全法》) was promulgated on June 10, 2021 and came into effect on September 1, 2021. It establishes a data protection system based on data categorization and security classification, according to the significance of data to economic and social development and the potential harm from illegal use of data to national security, public interest, rights and interests, as well as the interests of individuals and organizations. Entities engaged in data processing activities shall, in accordance with laws and regulations, establish and improve a full-process data security management system, organize data security education and training, and adopt corresponding technical measures and other necessary measures to ensure data security. Cybersecurity Review Measures (《網絡安全審查辦法》) was promulgated on December 28, 2021 and came into force on February 15, 2022. The Measures stipulates that critical information infrastructure operators purchasing network products and services, and online platform operators conducting data processing activities, which affect or may affect national security, shall undergo cybersecurity review.

According to the Civil Code of the PRC (《中華人民共和國民法典》), personal information of natural persons is protected by law. If any organization or individual needs to obtain other people's personal information, they should obtain it in accordance with the law and ensure the security of the information. They must not illegally collect, use, process, or transmit other people's personal information, and must not illegally buy, sell, provide, or disclose the information. The Personal

Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) promulgated by the NPCSC on August 20, 2021 and implemented on November 1, 2021, further emphasizes the obligations and responsibilities of processors for the protection of personal information, and requests higher level of protective measures on the processing of sensitive personal information.

According to the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) promulgated by the NPCSC on November 7, 2016, took effect and came into force on June 1, 2017, and was latest amended on October 28, 2025 with implementation commencing on January 1, 2026, network operators must follow the principles of legality, legitimacy and necessity when collecting and using personal information, and publicly disclose the rules for collection and use, clearly state the purpose, method and scope of collecting and using information, and obtain the consent of the person whose data is being collected. Network operators shall not collect personal information unrelated to the services they provide.

Foreign Exchange Regulations

General Foreign Exchange Administration

The Regulations of the PRC on Foreign Exchange Control (《中華人民共和國外匯管理條例》) promulgated by the State Council on January 29, 1996, most recently amended on August 5, 2008 with the amended version taking effect on the same day, serve as the fundamental legal basis for foreign exchange supervision by the relevant authorities in China. Under these regulations, Renminbi for current account items (such as foreign exchange transactions related to goods, trade and services, as well as dividend distributions) may be freely converted into other currencies on the basis of genuine and lawful transactions; however, it may not be used for capital account items (such as equity transfers, direct investment, securities investment, derivatives, or loans) unless approved by the foreign exchange control authorities and upon completion of pre-registration with such authorities.

Pursuant to the Notice of the State Administration of Foreign Exchange on Further Improving and Adjusting the Foreign Exchange Administration Policies for Direct Investment (《國家外匯管理局關於進一步改進和調整直接投資外匯管理政策的通知》), promulgated by the State Administration of Foreign Exchange on November 19, 2012 and effective from December 17, 2012, the opening of foreign exchange accounts for direct investment no longer requires approval. The Notice also simplified the verification and confirmation procedures for capital contributions by foreign-invested enterprises; the foreign exchange registration procedures for the acquisition of domestic equity by foreign investors; and further improved the management of the settlement of foreign exchange capital of foreign-invested enterprises.

Pursuant to the Notice of the SAFE on Reforming and Regulating Policies for the Administration over Foreign Exchange Settlement under Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) promulgated by the SAFE on June 9, 2016, effective on the same day, and further amended on December 4, 2023, enterprises registered in China may, at their own discretion, convert their foreign debt from foreign currency into Renminbi. The Notice establishes uniform standards for the conversion of foreign exchange under capital accounts (including, but not limited to, foreign currency capital and foreign debt) that enterprises may carry out at their discretion, applicable to all enterprises registered in China. Moreover, the Notice reiterates that, unless otherwise expressly provided, Renminbi funds converted from foreign currency funds by a company shall not be used directly or indirectly for purposes outside its business scope, nor shall they be used directly or indirectly for securities investments or other investment and wealth management activities (excluding wealth management products with a risk rating not exceeding level two and structured deposits). Furthermore, except where expressly permitted by its business scope, converted Renminbi shall not be

used for extending loans to non-affiliated enterprises. Except for investments in real estate enterprises, converted Renminbi shall not be used to purchase non-self-use residential properties (excluding enterprises engaged in real estate development and operation, or real estate leasing and operation).

On October 23, 2019, the SAFE promulgated the Notice of the SAFE on Further Promoting Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》), pursuant to which, except for foreign-invested enterprises engaged in investment business, non-investment-oriented foreign-invested enterprises may also use their capital funds for domestic equity investments in accordance with the law, provided that such investments do not violate the negative list and that the investment targets are genuine and lawful. According to the Notice of the SAFE on Optimizing Foreign Exchange Management to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) promulgated by the SAFE on April 10, 2020, eligible enterprises are permitted to use the proceeds from their capital accounts, foreign credit lines, and overseas-listing capital accounts for domestic payments without having to submit to the bank in advance supporting documents certifying the genuineness of the capital funds; however, the use of funds must be genuine and comply with the administrative regulations governing the use of capital account proceeds.

Tax Regulations

Enterprise Income Tax

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》) promulgated by the National People's Congress on March 16, 2007, effective on January 1, 2008, and amended on February 24, 2017 and December 29, 2018, together with its implementation regulations, enterprises are classified into resident enterprises and non-resident enterprises. Chinese resident enterprises are generally subject to enterprise income tax at the rate of 25%, while non-PRC resident enterprises without any establishment in China are subject to enterprise income tax at the rate of 10% on their China-sourced income. Under the Enterprise Income Tax Law of the PRC, enterprises qualifying as "High-and-New Technology Enterprises" are subject to enterprise income tax at a rate of 15% instead of the uniform statutory rate of 25%.

Value-Added Tax

Pursuant to the Value-Added Tax Law of the PRC (《中華人民共和國增值税法》) (promulgated by the SCNPC on December 25, 2024 and entering into force on January 1, 2026), entities and individuals (including individual industrial and commercial households) that sell goods, services, intangible assets, real estate within the territory of China, or import goods shall be taxpayers of value-added tax and shall pay value-added tax.

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

According to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) issued by the CSRC on February 17, 2023 and effective from March 31, 2023, if a domestic enterprise procures an overseas initial public offering or listing, it shall file with the CSRC within three business days after submitting application documents for overseas issuance and listing. According to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises, if any of the following applies: (i) such securities listing and financing are explicitly prohibited by provisions in laws, administrative regulations or relevant state rules; (ii) the overseas listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the domestic enterprise or its controlling shareholder(s) and the actual controller, have committed crimes including corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy in the past three years; (iv) the domestic enterprise is currently under

investigations for suspicion of criminal offenses or major violations of laws and regulations which have not definitive conclusion; (v) there are material ownership disputes over equity held by the controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and actual controller.

According to the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) jointly issued by the CSRC and other departments on February 24, 2023 and effective on March 31, 2023, in the overseas offering and listing activities of domestic enterprises, domestic enterprises, and securities companies and securities service institutions that provide corresponding services shall strictly comply with the PRC Law of Safeguarding State Secrets, the PRC Law of Archives and requirements of laws, regulations as well as the requirements of this regulation, enhance the legal awareness of safeguarding secrets and strengthening archives administration, establish and improve the confidentiality and archives work system, and take necessary measures to fulfill the confidentiality and archives administration obligations, and shall not divulge state secrets or work secrets of state organs, or harm the interests of the state or the public. A domestic enterprise that, either directly or through its overseas listed entity, publicly discloses or provides to relevant securities companies, securities service institutions, overseas regulators, and other entities and individuals, any documents and materials that involve state secrets or work secrets of state organs, shall obtain approval from the competent department with the power of examination and approval according to the law, and report to the administrative department of confidentiality at the same level for filing. A domestic enterprise that, either directly or through its overseas listed entity, publicly discloses or provides to relevant securities companies, securities service institutions, overseas regulators, and other entities and individuals, other documents and materials whose divulgence will have adverse impact on national security or public interest, shall strictly undergo the relevant procedures in accordance with the relevant regulations of the state.

U.S.

Laws and Regulations in relation to U.S. Export Control and Sanctions, Tariffs, Outbound Investment Review Rule

U.S. Export Controls

The Export Control Reform Act of 2018 authorizes the U.S. president to implement "dual-use" export controls. Pursuant to this statutory authority, the U.S. Department of Commerce's Bureau of Industry and Security ("**BIS**") administers the Export Administration Regulations ("**EAR**"), codified at 15 Code of Federal Regulation ("**CFR**") § 730 et seq. The EAR control the export, reexport and transfer (in-country) of dual-use commodities, software and technology. Items subject to the EAR include U.S.-made items and items physically in the U.S. as well as certain non-U.S. made items. The EAR applies to goods, software and technology subject to the EAR located anywhere in the world.

In addition, BIS maintains trade control blacklists such as the Entity List. BIS amended the EAR in the interim final rule effective September 29, 2025 to address diversion concerns involving entities on the Entity List and certain other restricted end users. Under the interim final rule, any entity that is at least 50% owned by one or more entities on the Entity List will itself automatically be subject to Entity List restrictions. However, this interim final rule has been suspended for one year since November 10, 2025.

Specifically, certain biological agents, toxins, and related technology are restricted by the United States for export to China for national security reasons and require an export authorization from the U.S. Department of Commerce. These controls are primarily managed under the EAR's Commerce Control List in Category 1 at export control classification numbers 1C351 through 1C360 (and related

technology in export control classification number 1E001 and 1E351). Export controls also apply to genetic elements and genetically modified organisms that contain DNA associated with the pathogenicity of these biological materials.

U.S. Sanctions

The U.S. Department of the Treasury's Office of Foreign Assets Control ("**OFAC**") administers regulations imposing economic sanctions on countries and designated individuals and entities. These regulations implement Executive Orders issued by the President primarily under the International Emergency Economic Powers Act ("**IEEPA**"). The United States maintains a set of complex restrictions on transactions involving embargoed countries and regions. As of the date of this document, Cuba, Iran, North Korea, the Crimea, Donetsk and Luhansk regions of Ukraine are the subject of comprehensive U.S. embargoes. Other sanctions programs target activities such as terrorism, drug trafficking, human rights and other matters of importance to U.S. national security and foreign policy. There are also strict, "near-comprehensive" sanctions in place against certain other jurisdictions such as Myanmar. OFAC implements "primary" and "secondary" sanctions with specific restrictions unique to each individual sanctions program. Sanctioned persons are identified on OFAC's List of Specially Designated Nationals and Blocked Persons ("**SDN**"). All assets of SDNs are blocked and U.S. persons are generally prohibited from dealing with them absent an applicable OFAC license or exemption.

U.S. Outbound Investment Rule

On October 28, 2024, the U.S. Department of the Treasury ("**Treasury**") issued the Final Rule on Outbound Investment ("**Outbound Investment Rule**"), which became effective on January 2, 2025. The Outbound Investment Rule aims to mitigate national security risks associated with investments in sensitive technologies such as semiconductors, AI, quantum computing and supercomputing in identified "countries of concern." Currently, "countries of concern" under the Outbound Investment Rule are limited to the PRC, including Hong Kong and Macau.

As of January 2, 2025, "U.S. persons" are subject to certain compliance obligations when engaging in certain transactions with "covered foreign persons" from countries of concern (the PRC, including Hong Kong and Macau), which may include a prohibition on the transaction or a notification requirement to the U.S. government within 30 days of completing the transaction. On December 18, 2025, U.S. president signed into law the Fiscal Year 2026 National Defense Authorization Act, which includes the Comprehensive Outbound Investment National Security Act of 2025 ("**COINS Act**"). The COINS Act largely codifies the core of the current Outbound Investment Rule while making certain modifications. While the COINS Act was legally enacted and effective on December 18, 2025, it is not self-executing and it does not replace or amend the Outbound Investment Rule immediately. The COINS Act is a U.S. federal statute that provides the statutory basis for further rulemaking. The COINS Act requires the Treasury to, within 450 days from passage, promulgate new or amended regulations (which may then amend or replace the Outbound Investment Rule) to implement the law, and the Outbound Investment Rule will remain in force until those regulations are adopted. On December 23, 2025, the U.S. Department of Treasury published additional frequently asked questions ("**FAQs**") on the Outbound Investment Rule. One of these FAQs (X. 4) provides that absent additional facts, when a U.S. person acquires an equity interest in a "covered foreign person," and at the time of such acquisition the equity interest is publicly traded, such security falls under the description of a "publicly traded security" in 31 CFR §850.501(a)(1)(i), regardless of when an agreement to make its investments is entered into.

U.S. Tariffs

Since February, 2025, a baseline 30% tariff had been imposed under the IEEPA on all imports from China which include a 10% tariff related to reciprocal tariff according to the Joint Statement on U.S.-China Economic and Trade Meeting in Geneva issued on May 12, 2025. As of the Latest

Practicable Date, following the U.S. Supreme Court's ruling that tariffs imposed under the IEEPA were invalid, the temporary 10% import surcharge imposed under Section 122 of the Trade Act of 1974 had expired and was no longer in effect as of 12:01 a.m. Eastern Time on July 24, 2026. On July 23, 2026, the U.S. government imposed tariffs of 10% to12.5% on imports from 60 economies following Section 301 investigations into the measures they have taken to prohibit imports of goods produced with forced labor. Imports from China are generally subject to an additional 12.5% tariff under Section 301 of the Trade Act of 1974 in connection with the U.S. forced labor-related trade action, subject to applicable exemptions. Based on the nature of goods, other tariffs such as tariff under Section 301 of the Trade Act of 1974 or antidumping and countervailing tariff might apply.

Intellectual Property Laws and Regulations

Intellectual property rights in the U.S. are primarily governed by federal law, including the Patent Act, the Lanham Act and the Copyright Act, as well as applicable state laws governing trade secrets and unfair competition. U.S. patents protect inventions that are novel, useful, and non-obvious and generally provide protection for a term of twenty years from the date of filing, subject to statutory requirements. Trademarks are protected under federal and state law and may be registered with the United States Patent and Trademark Office ("**USPTO**"), providing nationwide protection so long as the registration is maintained and the mark remains in use. Copyright protection subsists in original works of authorship, including software and technical documentation, and generally arises automatically upon creation.

Foreign Research Activities

In recent months, certain foreign activities, especially with respect to China, have come under increased scrutiny in the United States. Some of the recent United States actions include:

- Steps to encourage use of U.S. domestic manufacturing and supply chains. This includes executive orders intended to facilitate and streamline the development of U.S. manufacturing, enhance the inspection of foreign manufacturing facilities, and increase foreign manufacturing facility user fees.
- FDA restrictions on certain foreign research, such as an immediate review of new clinical trials that involve sending American citizens' living cells to China and other hostile countries for genetic engineering.
- The passage of the BIOSECURE Act as part of the National Defense Authorization Act for Fiscal Year 2026, which prohibits U.S. government contracts, loans and grants being made to any "biotechnology company of concern" or to any entity that uses biotechnology equipment or services from a "biotechnology company of concern", including certain entities in China involved in the manufacturing, distribution, provision or procurement of a biotechnology equipment or service.

Labor & Employment Regulations

Employment relationships in the U.S. are governed by a combination of federal, state and local laws addressing wages and hours, workplace safety, non-discrimination and harassment, employee benefits and other employment standards. At the federal level, these laws include, among others, the Fair Labor Standards Act, the Occupational Safety and Health Act and various statutes prohibiting discrimination based on protected characteristics. Many U.S. states and local jurisdictions impose additional requirements, including minimum wage laws, overtime rules, meal and rest period requirements, wage payment timing rules and restrictions on the enforceability of non-competition and non-solicitation covenants. Most employment relationships in the U.S. are "at-will," meaning that, subject to applicable law and contractual arrangements, either the employer or the employee may

terminate employment at any time. However, employers must comply with applicable statutory and regulatory obligations and non-compliance may result in administrative proceedings, civil liability, penalties, or injunctive relief.

Data Privacy, Data Security and Cybersecurity Regulations

The collection, use, storage, processing and transmission of personal information in the U.S. are subject to various federal and state laws and regulations. At the federal level, the Federal Trade Commission Act (the "**FTC Act**") prohibits unfair or deceptive acts or practices, including those relating to data privacy and information security. The Federal Trade Commission has exercised its enforcement authority under the FTC Act in connection with alleged failures to implement reasonable data security safeguards or alleged misrepresentations regarding privacy or cybersecurity practices. In addition, a number of U.S. states have enacted comprehensive privacy and data protection laws, such as the California Consumer Privacy Act of 2018 ("**CCPA**"), as amended by the California Privacy Rights Act of 2020, which imposes obligations on businesses that collect personal information of California residents, including requirements to provide privacy notices, honor data subject rights, and implement reasonable safeguards to protect personal information. In addition, the CCPA creates a private right of action with statutory damages of up to $750 per violation. In addition to privacy-specific laws, a number of U.S. states have enacted cybersecurity and data security requirements that generally require companies to implement reasonable administrative, technical and physical safeguards to protect information systems and personal information. For example, Massachusetts regulations require persons that own or license personal information of Massachusetts residents to develop, implement and maintain a written information security program.

Anti-Bribery and Anti-Corruption Regulations

U.S. anti-bribery and anti-corruption laws, including the U.S. Foreign Corrupt Practices Act ("**FCPA**"), prohibit, among other things, the offering, promising, authorizing, or giving of anything of value to foreign government officials for the purpose of obtaining or retaining business or securing an improper advantage. The FCPA also imposes accounting and internal control requirements on certain companies.

Requirements Applicable to the R&D Activities of Our Major Customers in Pharmaceuticals and Medical Devices

Although U.S. pharmaceutical and medical device regulatory requirements primarily apply to product sponsors, as a provider of tools, supplies, and services to such product sponsors, our business operations may be affected by regulation in the U.S., either directly or indirectly, depending on the specific activities in which we engage. Accordingly, changes in the regulatory environment of the U.S. market in which our customers operate may, directly or indirectly, affect their demand for our products and services, the specifications applicable to such products, the required quality standards, and the scope and nature of the supporting validation data required to demonstrate the regulatory compliance. A new drug or biologic must undergo preclinical research, clinical trials, and FDA review before approval and marketing, including evaluation of safety, efficacy and manufacturing quality.

In the United States, the FDA regulates drugs, biologics and medical devices under the Federal Food, Drug and Cosmetic Act, or FDCA, the Public Health Services Act, or PHSA and their implementing regulations. The specific regulatory requirements that apply differ depending on whether a product is a drug or biologic, or a medical device. Clinical studies in the U.S. generally require submission of an investigational new drug application, or IND, to FDA. A sponsor may also choose to conduct a foreign clinical trial under an IND. When the foreign clinical trial is not conducted under an IND, the sponsor must ensure that the study complies with good clinical practices, or GCPs, and that FDA is able to validate the data through an onsite inspection in order to use the study as support for an IND or application for U.S. marketing approval. Clinical trials involve the administration of the

investigational product to human subjects under the supervision of qualified investigators in accordance with federal regulations and GCPs, under FDA-reviewed protocols and ongoing oversight by the FDA and institutional review boards ("**IRBs**"). The FDA or IRBs may modify, halt, or discontinue clinical trials for regulatory or safety reasons. The manufacture of product candidates for the conduct of human clinical trials and eventual commercialization is subject to good manufacturing practices, or GMPs, and certain manufacturing and testing facilities must register with and are subject to inspection by the FDA. FDA approval of marketing applications is contingent on compliance with applicable regulatory requirements and satisfactory inspections. To the extent that any products or their active ingredients are imported into the United States, they must comply with US laws and regulations. Further, the export of products outside of the United States is also subject to regulatory requirements of the receiving country as well as FDA export requirements. Following product approval, drug and biologic products, and their ingredients, remain subject to the FDA's post-market regulatory obligations, and certain changes require further FDA review. Sponsors and other parties may submit and maintain drug master files in support of regulatory submissions, which are subject to FDA requirements.

Medical Device R&D

Unless an exemption or policy of enforcement discretion applies, each medical device commercially distributed in the United States requires either FDA clearance of a 510(k) premarket notification, or 510(k), grant of a de novo classification request, or approval of a premarket approval, or premarket approval application (collectively referred to as "**authorization**"). The type of FDA authorization is linked to the Class I/II/III classification of the device based on the degree of risk associated with a device and the level of regulatory control deemed necessary to ensure such device's safety and effectiveness. In general, clinical trials are required to support authorization of Class III devices and are occasionally for Class II devices. After FDA authorization, all devices (Class I, II and III) are subject to FDA's general controls, including establishment registration, device listing, labeling and unique device identifier, or UDI, requirements; adherence to the current good manufacturing practices, known as the Quality Management System Regulation, or QMSR; post-market reporting of adverse events, malfunctions and device corrections and removals. Manufacturer must evaluate the post-market changes to determine whether additional FDA submissions are required.

Special Considerations for Laboratory Technologies

The FDA has sought to regulate laboratory-developed tests (LDTs) as medical devices, but a federal court invalidated that approach. To the extent that our products are used in tests that meet the definition of an LDT, such LDTs are not medical devices and do not have to comply with the FDA medical device requirements described herein. Certain in vitro diagnostic (IVD) products marketed solely for non-clinical research purposes may be labeled as "research use only" (RUO) and are generally exempt from FDA medical device requirements, although products promoted for clinical diagnostic use may be subject to such regulation. Laboratories that test human specimens for diagnostic or health assessment purposes are subject to certification and operational requirements under the Clinical Laboratory Improvement Amendments of 1988, or CLIA.

Other U.S. Healthcare Laws and Compliance Requirements

The federal Physician Payments Sunshine Act, being implemented as the Open Payments Program, requires manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program (with certain exceptions) to report annually to the Centers for Medicare and Medicaid Services, information related to direct or indirect payments and other transfers of value to U.S.-licensed physicians, certain other non-physician health care professionals (such as physicians assistants and nurse practitioners), and U.S. teaching hospitals, including payments related to research.

Additional requirements include: U.S. state and local laws and regulations, such as state anti-kickback and false claims laws, that may apply to sales or marketing activities and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers; state laws that restrict payments or prohibit certain other transfers of value that may be made by pharmaceutical companies, directly or indirectly, to healthcare providers; and other referral sources; state laws that require pharmaceutical manufacturers to implement healthcare compliance programs that conform to certain industry and government guidelines; state laws that require drug manufacturers to report information related to clinical trials, or information related to payments and other transfers of value to physicians and other healthcare providers; state laws that require drug manufacturers to report information on the pricing of certain drugs, including expenses related to research; state laws governing the privacy and security of personal information and health information in certain circumstances, including but not limited to state consumer health data privacy laws, consumer data privacy laws, and state healthcare privacy laws, each of which interact differently with HIPAA, thus complicating compliance efforts; and state and local laws that impose registration and, in some instances, training requirements on pharmaceutical sales representatives.

HONG KONG

Business Registration Ordinance (Chapter 310 of the Laws of Hong Kong)

The Business Registration Ordinance requires every person or entity carrying on a business in Hong Kong to apply for and maintain a valid business registration. A business registration certificate must be obtained within one month of the commencement of business and renewed annually or every three years, depending on the term selected.

Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong)

The Inland Revenue Ordinance ("**IRO**") is the principal legislation governing taxation in Hong Kong. Under the IRO, profits tax is charged on profits (excluding profits arising from the sale of capital assets) arising in or derived from Hong Kong from any trade, profession or business carried on in Hong Kong. The IRO also contains provisions governing, among other matters, allowable deductions, depreciation allowances, loss set-offs, filing obligations and tax assessments.

Companies Ordinance (Chapter 622 of the Laws of Hong Kong)

The Companies Ordinance governs the incorporation, corporate administration and ongoing statutory compliance of companies incorporated in Hong Kong. It sets out requirements relating to, among others, the maintenance of statutory registers, appointment and resignation of directors and company secretaries, filing of annual returns, preparation and audit of financial statements, and notification of changes in corporate particulars.

Employment-Related Legislation

Hong Kong employment laws, including the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) and the Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong) apply to employers in Hong Kong that employ staff.

Laws and Regulations Relating to Transfer Pricing

In December 2009, the Inland Revenue Department ("**IRD**") released Departmental Interpretation and Practice Notes No. 46 ("**DIPN 46**"). DIPN 46 provides guidance on the IRD's views and practices on transfer pricing and how it intends to apply the existing provisions of the IRO to establish whether related parties are transacting at arm's length prices. In general, the practices followed by the IRD are

based on the transfer pricing methodologies recommended by the Organisation for Economic Co-operation and Development Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations.

In April 2009, the IRD released Departmental Interpretation and Practice Notes No. 45 ("**DIPN 45**") which deals with double taxation relief of transfer pricing adjustments. DIPN 45 provides that where double taxation arises as a result of transfer pricing adjustments made by the tax authorities of another country, a Hong Kong taxpayer may potentially claim relief under the treaty between Hong Kong and that country (countries that entered into tax arrangements with Hong Kong include the PRC).

Furthermore, the Hong Kong Government has gazetted the Inland Revenue (Amendment) (No. 6) Ordinance 2018 (the "**Amendment Ordinance**") on July 13, 2018. The main objectives of the Amendment Ordinance are to codify the transfer pricing principles and implement certain measures under the Base Erosion and Profit Shifting ("**BEPS**") package promulgated by the Organization for Economic Co-operation and Development, such as the transfer pricing documentation requirements. The BEPS package seeks to counter the exploitation of gaps and mismatches in tax rules by multinational enterprises to artificially shift profit to low or no-tax locations where there are little or no economic activity.

Introduced by the Amendment Ordinance, Section 50AAF of the IRO codifies the arm's-length principle and allows for an adjustment of a taxpayer's profit upwards/losses downwards if the taxpayer has entered into transaction(s) with an associated person, and the pricing of such transaction(s) differs from that between independent persons and has created a Hong Kong tax advantage. Section 82A of the IRO stipulates that a person is liable to be assessed for penalties to additional tax of the amount of tax undercharged resulting from transfer pricing adjustments, unless it is proved that reasonable efforts have been made to determine the arm's length price for the transaction(s).

SWITZERLAND

Import, Export, Sanctions and Trade Compliance

All goods entering or leaving Switzerland must be declared to the customs authorities. Switzerland does not levy export duties. Imports remain subject to value added tax where applicable. Certain biological agents, toxins, laboratory equipment and related technologies may therefore require export authorization.

Production and Safety Regulations

Manufacturers and importers may be subject to notification, registration, labeling, packaging and safety-data-sheet obligations depending on classification and volumes. Workplace safety obligations require employers to take appropriate measures to prevent occupational risks.

Regulatory Provisions on Drug and Medical Device R&D

Establishments that manufacture, import, export or distribute medicinal products must hold a Swissmedic establishment license. Clinical trials involving medicinal products or medical devices require ethics committee approval.

Taxation

Swiss taxation applies at federal, cantonal and communal levels. The Federal Act on Direct Federal Tax imposes an 8.5% corporate income tax on net profit, with cantonal and communal taxes resulting in varying combined effective rates. The Federal Act on Value Added Tax applies to domestic supplies and imports at a standard rate of 8.1%. The Federal Act on Withholding Tax imposes a 35% withholding tax on certain passive income, including dividends, subject to treaty relief.

GERMANY

Product Safety

Products are considered safe if they do not present any unacceptable risks to the safety and health of persons when used as intended or in a foreseeable manner. Non-compliance may trigger enforcement actions, including prohibition of sale or display, mandatory recall or withdrawal, confiscation or destruction of products, administrative fines (up to EUR 100,000 in case of severe violations), and, in more serious cases, criminal penalties including imprisonment.

Product Liability

A manufacturer may be liable for deficiencies in product design, in manufacturing, or in instructions and warnings on the safe use of the product by the end user. A product is considered defective if it does not provide the level of safety that a user is entitled to expect, considering all relevant factors such as how the product is presented, its intended purpose, and the time it was placed on the market.

Medical Device Regulation and In Vitro Diagnostic Medical Devices Regulation

In Germany, our products that fall within the scope of the EU Medical Devices Regulation ("**MDR**") (EU 2017/745) or the EU-In Vitro Diagnostic Medical Devices Regulation ("**IVDR**") (EU 2017/746) must comply with the requirements outlined therein. Products intended for medical use on or in the human body, or for the in vitro examination of human-derived specimens, fall within the scope of the MDR or IVDR, whereas products intended exclusively for research use are generally outside the scope of the regulations and are instead subject to the general product safety requirements. However, the exemption does not apply if the manufacturer's specific intention for the products, in view of their characteristics, is to be used for in vitro diagnostic examination. We are required to implement and maintain an appropriate quality management system, ensure the preparation and maintenance of technical documentation and traceability, and comply with the general safety and performance requirements set out under the respective regulations. These include cooperating with competent authorities in the context of market surveillance and vigilance activities, in particular the reporting of serious incidents and the implementation of corrective actions or recalls.

Further industry-specific EU Regulations and German Law

Our products may be subject to a range of additional regulatory frameworks in Germany and the European Union, depending on their composition, intended use and classification. These may include, in particular, the EU chemicals legislation (including REACH (EC 1907/2006) and CLP (EC 1272/2008)), the Biocidal Products Regulation (EU 528/2012), pharmaceutical and biotechnology-related regulations (Directive 2001/83/EC implemented by the German Medicinal Products Act (Arzneimittelgesetz), as well as the German Genetic Engineering Act (Gentechnikgesetz). Compliance with these regulatory frameworks may require substance registration, classification and labeling, safety data documentation, product authorizations, and adherence to specific handling, storage, and traceability requirements.

SOUTH KOREA

Import and Export of Goods

The Minister of Trade, Industry and Energy may restrict or prohibit the export or import of goods where necessary for the fulfillment of obligations under treaties concluded and promulgated in accordance with the Constitution of South Korea and generally recognized international law, or for the protection of biological resources, among other grounds. In addition, goods that fall under the category of strategic materials require an export license. Any person seeking to export or import goods must

declare to the head of the competent customs office the name, specification, quantity, and price of the relevant goods, among other required particulars. Furthermore, where goods are subject to requirements such as permission, approval, labels, or other conditions prescribed under relevant statutes and regulations for the purpose of export or import, the declarant must demonstrate to the head of the customs office that such conditions have been satisfied.

Chemical Substances

Business operators are obligated, among other things, to actively generate, exchange and utilize information on the hazards and risks of chemical substances that they manufacture or import, and to participate in and cooperate with the government's policies relating to the registration and notification of chemical substances and the conduct of hazard assessments and risk evaluations. In addition, persons who handle chemical substances shall take necessary measures, including maintaining appropriate facilities and equipment, educating employees, developing technologies and exchanging information, to prevent harm to public health or the environment caused by chemical substances. They shall also participate in and cooperate with government policies for the proper management of chemical substances and bear responsibility for the safe management of such chemical substances. Furthermore, any person who intends to manufacture or import a chemical substance shall verify the classification of such chemical substance or its components and submit the results thereof to the Minister of Climate, Energy and Environment.

THE UNITED KINGDOM (ENGLAND AND WALES)

Property and Contractual Arrangements

Interests in land in England and Wales are governed by Law of Property Act 1925 and the Land Registration Act 2002. Certain interests in land must be registered with the Land Registry in order to be legally effective against third parties. Commercial arrangements relating to the occupation or use of premises may take the form of leases or licences. Short-term or serviced office arrangements are typically structured as licences and generally do not create proprietary interests in land.

Trade and Sanctions

Trade, customs and sanctions matters are governed by legislation including the Taxation (Cross-border Trade) Act 2018 and the Sanctions and Anti-Money Laundering Act 2018. These laws regulate import and export controls, customs duties and the imposition of financial and trade sanctions. The compliance and enforcement are overseen by the HM Revenue & Customs.

Taxation

Corporation tax is generally charged on the taxable profits, including trading income, investment income and chargeable gains. Companies are required to file tax returns and pay tax liabilities within prescribed time limits.

OUR HISTORY

Overview

Our history can be traced back to July 2010, when our Company was established in Beijing, the PRC. After over a decade of development and growth, we are now a global provider of life science tools and technical services, dedicated to supporting biopharmaceutical companies across their R&D, manufacturing and clinical application. In June 2020, our Company was converted into a joint stock limited company and was renamed as ACROBIOSYSTEMS CO., LTD (北京百普賽斯生物科技股份有限公司).

OUR KEY MILESTONES

The following table set out a summary of our key development milestones:

Year	Milestones
2010	Our predecessor, Beijing ACROBiotechnology Consulting Co., Ltd.* (北京百普賽斯生物技術諮詢有限公司), was established in the PRC.
2011	Our first product — Plasmid Extraction Kit (質粒提取試劑盒) — was produced.
2012	We successfully developed biotin-labeled proteins (生物素標記蛋白), a protein conjugate that carries biotin tags to enable detection and purification in assays.
2013	ACROBio US was incorporated to tap into North American market. We were recognized as a National High-tech Enterprise (國家高新技術企業) for the first time.
2016	We received ISO 9001 management system certification for the first time. ACROBio HK was incorporated in December 2016.
2018	We established a R&D center in the United States.
2019	We received ISO 13485 management system certification for the first time.
2020	Our Company was converted into a joint stock limited company under the name of ACROBIOSYSTEMS CO., LTD (北京百普賽斯生物科技股份有限公司). Our products completed the drug master filing with FDA in the United States.
2021	Our Company was listed on the ChiNext Market (stock code: 301080) in October 2021.
2022	We obtained AEO Certificate (高級認證企業證書) issued by Beijing Customs of the PRC (中華人民共和國北京海關).
2023	We developed new production lines in Beijing for our products including cell lines.

Year	Milestones
2024	Our GMP-grade manufacturing facility in Suzhou, Jiangsu province commenced official production.
	Our Company was Medical Device Single Audit Program certified.
2025	We commenced construction of a biological reagents R&D and production complex in Beijing.

CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES

(1). Establishment and Early Development

On July 22, 2010, our predecessor, ACRO Consulting, was established in the PRC as a limited liability company with a registered capital of RMB30,000. At the time of establishment, ACRO Consulting was held as to approximately 33.33% by Zhang Li (張麗), 33.33% by Yang Xiaoshan (楊小杉) and 33.33% by Gong Wenfang (龔文芳) with each contributing RMB10,000 in cash.

The establishment of ACRO Consulting involved nominee shareholding arrangements. To facilitate business registration and daily operations before the Company had established a clear and stable primary business, Zhang Li, the sister of Mr. Chen's spouse, held 33.33% equity interest in ACRO Consulting as a nominee for Mr. Chen. Similarly, Yang Xiaoshan, the spouse of Mr. Miao, held 33.33% equity interest as a nominee for Mr. Miao. Gong Wenfang, the mother of a former employee, was a beneficial owner and is considered as an Independent Third Party. Accordingly, the beneficial owners of ACRO Consulting at the time of its establishment were Mr. Chen, Mr. Miao and Gong Wenfang.

(2). Termination of Nominee Shareholding

The Company had no business operation since its establishment until Mr. Chen and Mr. Miao joined the Company in March 2011 and February 2012, respectively. In January 2012, the shareholders of ACRO Consulting resolved to restructure the Company to terminate the nominee shareholding arrangements. Pursuant to equity transfer agreements dated February 1, 2012, the nominee shareholding arrangements were terminated as follows, with all transfers made at nil consideration: (i) Zhang Li transferred the 23.33% equity interest she held on behalf of Mr. Chen to Mr. Chen; (ii) Zhang Li transferred the remaining 10.00% equity interest she held on behalf of Mr. Chen to Zhao Xuelian (趙雪蓮), an Independent Third Party; and (iii) Yang Xiaoshan transferred the 33.33% equity interest she held on behalf of Mr. Miao to Mr. Miao. The termination of the relevant nominee shareholding arrangements were completed on February 10, 2012. Zhao Xuelian was introduced as a new partner for the development of the Company.

(3). Conversion into a Joint-Stock Company

Following several rounds of equity transfers and capital injections, the registered capital of our Company was increased to RMB12,423,491 in December 2019. On June 9, 2020, our Company was converted into a joint stock company with a registered capital of RMB60,000,000, comprising 60,000,000 Shares with a par value of RMB1.00 each, under the name of ACROBIOSYSTEMS CO., LTD (北京百普賽斯生物科技股份有限公司).

(4). Listing on the ChiNext Market

In October 2021, we completed the initial public offering and listing of our A Shares on the ChiNext Market (stock code: 301080), pursuant to which we issued an aggregate of 20,000,000 A Shares, accounting for approximately 25% of our Company's share capital immediately following the A Share listing.

OUR MAJOR SUBSIDIARIES

Details of the major subsidiaries of our Company which, among other things, made a material contribution to our results of operations during the Track Record Period, are set out below.

No.	Name of subsidiaries	Place of establishment	Date of establishment	Shareholding controlled by our Company	Principal business activities
1	ACROBio US.	US	June 11, 2013	100.00%	Provision of biologics products and technical services
2	ACROBio HK.	Hong Kong	December 28, 2016	100.00%	Sales of biologics products
3	Suzhou XWX	PRC	May 19, 2020	100.00%	R&D, production and sales of biologics products
4	Suzhou ACROBio . . .	PRC	December 24, 2021	100.00%	R&D, production and sales of biologics products
5	ACROBio AG.	Switzerland	January 24, 2022	100.00%	Provision of biologics products and technical services

MATERIAL ACQUISITIONS AND DISPOSALS

During the Track Record Period and as of the Latest Practicable Date, our Company had carried out the following material acquisition.

Acquisition of Suzhou XWX

On December 21, 2022, Suzhou ACROBio entered into an equity and creditor rights transfer agreement with Suzhou Baimajian Life and Health Town Construction Development Co., Ltd.* (蘇州白馬澗生命健康小鎮建設發展有限公司, "**Suzhou Baimajian**") to acquire 100% equity interest of Suzhou XWX at a total consideration of RMB202.76 million, comprising RMB38.59 million for the equity transfer and related taxes and RMB164.17 million for the transfer of creditor rights. The consideration was determined on the basis of arm's length negotiations between the parties with reference to the appraised net asset value of Suzhou XWX of RMB26.07 million as of August 18, 2022 and the principal amount of the creditor rights then held by Suzhou XWX of RMB164.17 million.

Suzhou XWX was established on May 19, 2020 in the PRC as a limited liability company, and is principally engaged in the R&D, production and sales of biologics products. Suzhou Baimajian is a state-owned company and owned as to 50% by Suzhou Baimajian Traveling Development Co., Ltd.* (蘇州白馬澗旅遊發展有限公司), which is a wholly owned company of Fengqiao Subdistrict Agricultural and Forestry Service Center, Suzhou High-tech Zone (Huqiu District)* (蘇州高新區(虎丘區)楓橋街道農林服務中心), and as to 50% by Suzhou High-Tech Industrial New City Construction and Development Co., Ltd.* (蘇州高新產業新城建設發展有限公司), which is indirectly controlled by Suzhou New District High-Tech Industry Co., Ltd.* (蘇州新區高新技術產業股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600736). To the best of the Directors' knowledge, information and belief, Suzhou Baimajian and its ultimate beneficial owners are Independent Third Parties.

The acquisition of Suzhou XWX enables the Company to secure its existing facility in Suzhou High-tech Zone, allowing rapid rebuilding into a GMP-compliant workshop and significantly reducing the Company's construction time. Leveraging Suzhou's established biopharmaceutical cluster and talent resources, the Company aimed to build a GMP-grade production and quality control base for biological reagents, including cytokines, activation antibodies and universal nucleases, in compliance with China,

U.S. and EU standards. This acquisition addresses the Group's shortcomings in GMP-grade capacity, meets the surging demand for high-quality raw materials for cell and gene therapy ("**CGT**") drugs, and strengthens the Group's competitive position in the global recombinant protein and CGT raw material markets.

The consideration was fully settled on December 27, 2022. The industrial and commercial registration change of the acquisition was completed on March 23, 2023, upon which Suzhou XWX became a wholly-owned subsidiary of the Company. The acquisition has been properly and legally completed and settled, and all relevant approvals required from the relevant authorities have been obtained.

The acquisition described above would have not been classified as a major transaction under Chapter 14 of the Listing Rules as of the date of the Company's application for **[REDACTED]**, and as such do not fall within the scope of Rule 4.05A of the Listing Rules.

Save as disclosed above, we did not conduct any other acquisitions, disposals or mergers that we consider to be material to us during the Track Record Period and up to the Latest Practicable Date.

RESTRICTED A-SHARE INCENTIVE PLANS

In order to incentivize our employees, we adopted the Restricted A-Share Incentive Plans. See "Statutory and General Information — D. Restricted A-Share Incentive Plans" in Appendix VI to this document for details.

[REDACTED] AND [REDACTED]

Satisfaction of the [REDACTED] Requirement

Rule 19A.13A(2) of the Listing Rules provides that, where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public, at the time of listing, must (a) represent at least 10% of the issuer's total number of issued shares in the class to which H shares belong (excluding treasury shares); or (b) have an expected market value of not less than HK$3,000,000,000.

Our A Shares are listed on the ChiNext Market. So far as our Directors are aware, all **[REDACTED]** H Shares to be **[REDACTED]** pursuant to the **[REDACTED]**, representing approximately **[REDACTED]**% of our total issued share capital (excluding the 20,000 A Shares held by our Company as treasury shares) immediately upon **[REDACTED]** (assuming the **[REDACTED]** is not exercised and no additional Shares are issued pursuant to our Restricted A-Share Incentive Plans), are expected to be held by the public, which satisfies the prescribed percentage of H Shares required to be held in public hands under Rule 19A.13A(2)(a) of the Listing Rules, thereby satisfying Rule 19A.13A(2) of the Listing Rules at the time of the **[REDACTED]**.

Satisfaction of the [REDACTED] Requirement

Rule 19A.13C(2) of the Listing Rules provides that, where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 5% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK$50,000,000; or (b) have an expected market value at the time of listing of not less than HK$600,000,000.

Our Company has proposed to adopt **[REDACTED]** under Chapter 4.14 of the Guide for New Listing Applicants. Accordingly, **[REDACTED]** of the **[REDACTED]** shall be allocated to the **[REDACTED]**, and at least **[REDACTED]** of the **[REDACTED]** shall be allocated to the **[REDACTED]** (other than **[REDACTED]**) according to paragraph 3.2 of Practice Note 18 to the Listing Rules. Therefore, at least **[REDACTED]** of the **[REDACTED]** will not be subject to lock-up at the time of the **[REDACTED]**. As such, at least **[REDACTED]**% of the total number of our issued shares (excluding the 20,000 A Shares held by our Company as treasury shares) will be held by the public and not be subject to lock-up, with an expected **[REDACTED]** of HK$**[REDACTED]** at the time of **[REDACTED]** (calculated based on the maximum **[REDACTED]** of HK$**[REDACTED]** per H Share) or of HK$**[REDACTED]** at the time of **[REDACTED]** (calculated based on the low end of the **[REDACTED]** range of HK$**[REDACTED]** per H Share), which is higher than the prescribed expected **[REDACTED]** of not less than HK$600,000,000 under Rule 19A.13C(2)(b), thereby satisfying Rule 19A.13C(2)(b) of the Listing Rules at the time of **[REDACTED]**.

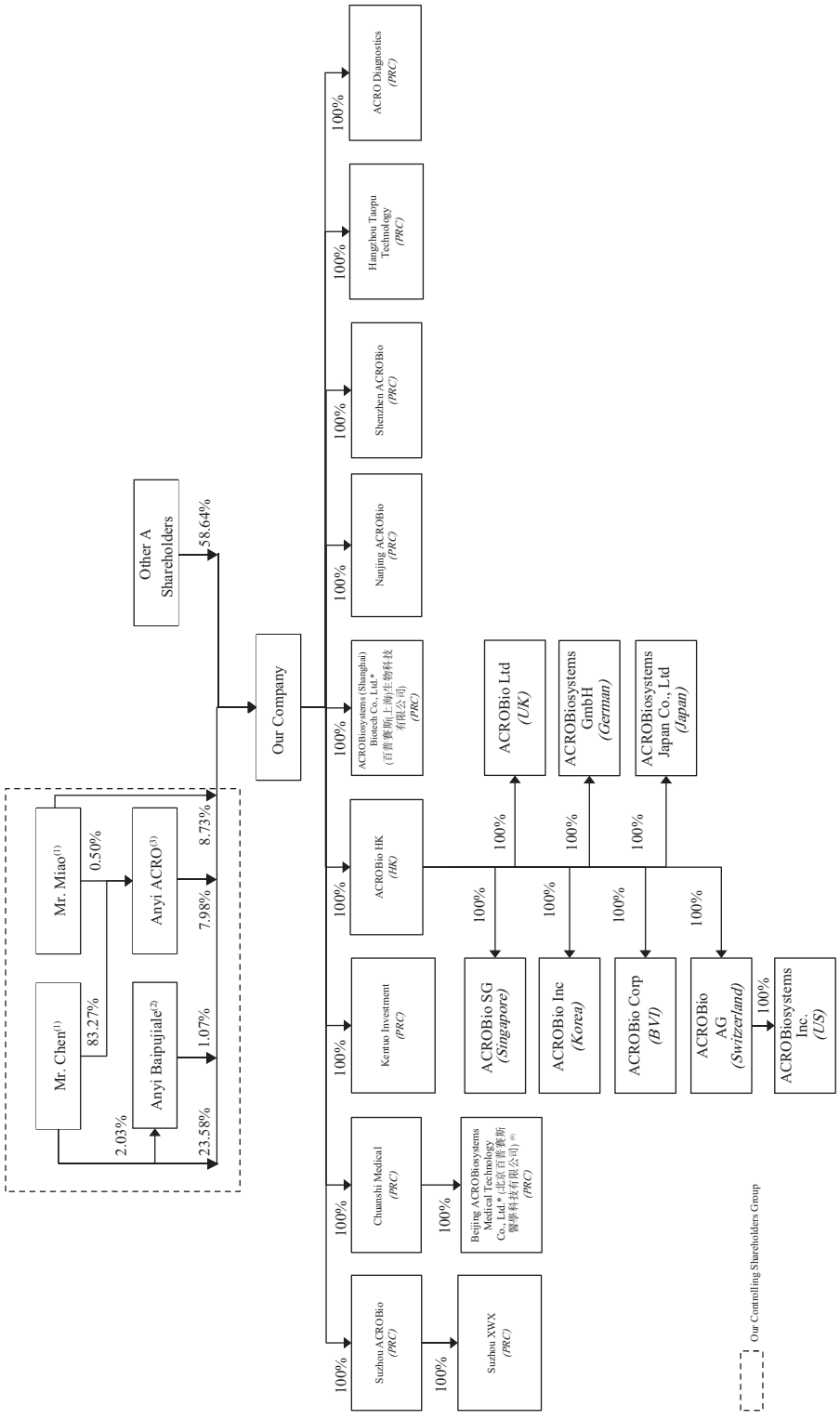
OUR LISTING ON THE CHINEXT MARKET AND REASONS FOR THE [REDACTED] ON THE STOCK EXCHANGE

Our Company is currently listed on the ChiNext Market. Our Directors confirmed that, and our PRC Legal Advisor is of the view that, during the Track Record Period and up to the Latest Practicable Date, we had no instances of material non-compliance with the rules of the ChiNext Market and other applicable securities laws and regulations of the PRC, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the **[REDACTED]** attention in relation to our compliance record on the ChiNext Market. Based on the independent due diligence conducted by the Sole Sponsor and our PRC Legal Advisor's view, nothing has come to the Sole Sponsor's attention that would reasonably cause them to cast doubt on our Directors' confirmation with regard to the compliance record of our Company on the ChiNext Market in all material respects.

Our Company seeks to be **[REDACTED]** on the Stock Exchange in order to further advance our globalization strategy, allow better access to the international capital market, enhance our capabilities to attract more overseas **[REDACTED]** and optimize our international brand image, which in turn may further enhance our overall competitiveness. See "Business — Our Strategies" and "Future Plans and Use of **[REDACTED]**."

CORPORATE STRUCTURE IMMEDIATELY BEFORE COMPLETION OF THE [REDACTED]

The chart below sets out the shareholding structure of our Company immediately before completion of the **[REDACTED]**:



Notes:

(1) Mr. Chen and Mr. Miao entered into the Acting in Concert Agreement, details of which are set out in "Relationship with Controlling Shareholders — Acting in Concert Agreement" of this document.

(2) Anyi Baipujiale is an employee incentive shareholding platform of our Company. As of the Latest Practicable Date, Anyi Baipujiale is owned as to (i) approximately 2.03% by its general partner, Mr. Chen, (ii) approximately 21.05% by Mr. Lin Tao, a member of our senior management, as a limited partner, (iii) approximately 27.52% by Ms. Chen Xiamin, a member of our senior management, as a limited partner, (iv) approximately 13.76% by Ms. Huang Xu, a member of our senior management, as a limited partner, and (v) approximately 35.64% by nine other limited partners, none of which individually owned 30.00% or more of the partnership interests in Anyi Baipujiale and all of them are employees of our Group.

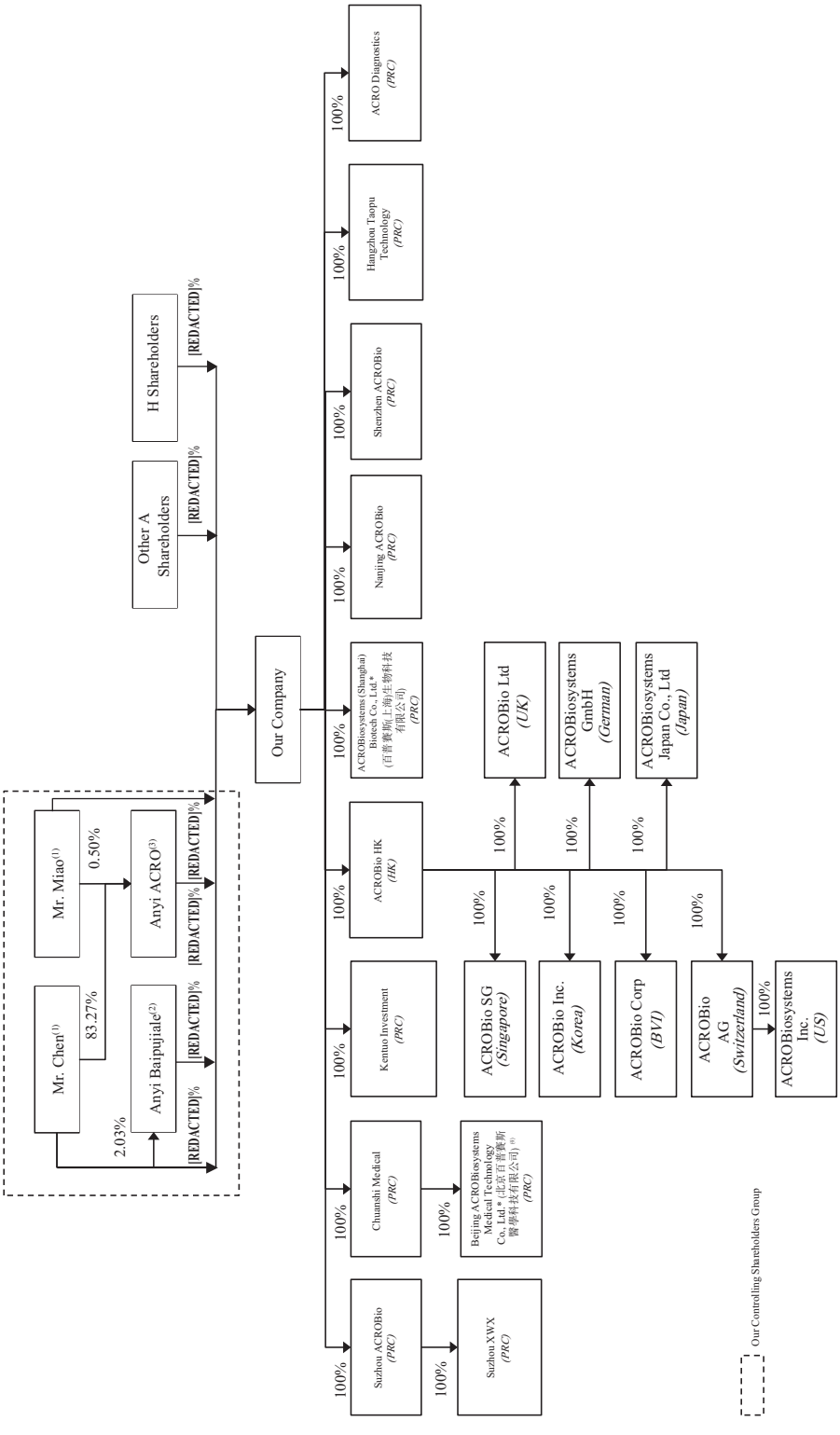
(3) Anyi ACRO is an employee incentive shareholding platform of our Company. As of the Latest Practicable Date, Anyi ACRO is owned as to (i) approximately 83.27% by its general partner, Mr. Chen, (ii) approximately 0.50% by Mr. Miao as a limited partner, (iii) approximately 0.76% by Ms. Qu Wenting, an employee representative Director, and (iv) approximately 15.47% by 41 other limited partners, none of which individually owned 30.00% or more of the partnership interests in Anyi ACRO and all of them are employees of our Group.

(4) Beijing ACROBiosystems Medical Testing Laboratory Co., Ltd.* (北京百普賽斯醫學檢驗實驗室有限公司) was renamed as Beijing ACROBiosystems Medical Technology Co., Ltd.* (北京百普賽斯醫學科技有限公司) on February 26, 2026.

(5) The 20,000 A Shares repurchased and held by our Company as treasury shares as of the Latest Practicable Date have been included in the total issued share capital of the Company for the purpose of calculation of the shareholding percentages (assuming no changes are made to the number of treasury shares between the Latest Practicable Date and **[REDACTED]**).

CORPORATE STRUCTURE IMMEDIATELY FOLLOWING COMPLETION OF THE [REDACTED]

The chart below sets out the shareholding structure of our Company immediately following completion of the **[REDACTED]**, assuming the **[REDACTED]** is not exercised and no additional Shares are issued pursuant to our Restricted A-Share Incentive Plans:



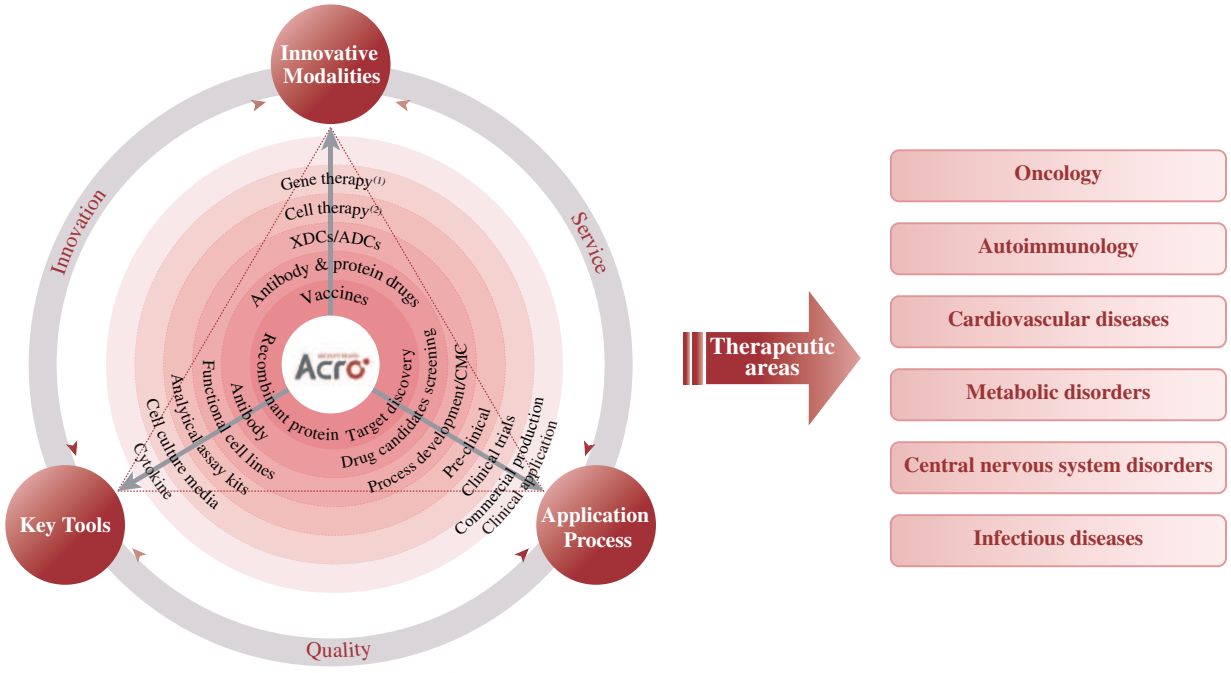
Notes (1) to (5): Please refer to the details contained in the preceding page.

OVERVIEW

We are principally engaged in the R&D, production and sales of recombinant proteins, antibodies and analytical assay kits. According to Frost & Sullivan, we are well-positioned in the biological reagents industry, especially in the recombinant protein segment. We ranked first among all China-based providers and third among all providers in global recombinant protein market with a market share of 2.7% globally in terms of revenue in 2025, while the aggregate market share of the top two market participants amounted to 33.0%. We also ranked third among all providers in the biological reagents industry in China with a market share of 2.6% in terms of revenue in 2025, while the aggregate market share of the top two market participants amounted to 17.6%. Notably, we achieved higher revenue growth rate from 2023 to 2025 compared to that of the top five participants in terms of revenue in the global biological reagents market, according to Frost & Sullivan.

We offer a comprehensive portfolio integrating biological reagents, including recombinant proteins, antibodies, analytical assay kits and other products, complemented by a range of technical services. The synergy among our offerings allows us to offer customized solutions that address the critical needs of biopharmaceutical R&D, from early-stage target discovery to clinical trials. Specifically: (i) vertically, our product portfolio covers the toolchain from target discovery, drug screening and optimization through to preclinical research, ensuring experimental continuity as well as consistent and comparable data; (ii) horizontally, we integrate our reagent products, such as recombinant proteins, with technology capabilities to address key industry R&D bottlenecks such as the expression of difficult-to-express proteins; and (iii) by leveraging product and data synergies across preclinical and clinical trial stages, we enable full traceability of research outcomes and maintain dataset consistency. As of the Latest Practicable Date, we offered over 5,000 SKUs of products and a diverse array of technical services, which are manufactured or provided in accordance with applicable international and industry-recognized quality standards and frameworks, including ISO 9001:2015, ISO 13485:2016, Current Good Manufacturing Practice ("**cGMP**"), Medical Device Single Audit Program ("**MDSAP**") and Rx-360.

The chart below illustrates our portfolio of products and services and their respective modalities and application processes:



Notes:

We provide critical biological reagents, core raw materials and technical solutions for biologics R&D. We supply pharmaceutical companies and research institutions with products such as recombinant proteins, antibodies, analytical assay kits, cell culture media, functional cell lines and cytokines, among others, which are essential for various stages of innovative drug

development. Our products and services support the entire drug development lifecycle, ranging from early-stage target discovery and candidate screening, to pre-clinical studies, clinical trial support and quality- and process-related support for commercial manufacturing. Our solutions are applicable across major therapeutic areas, including oncology, autoimmune diseases, infectious diseases, central nervous system disorders, cardiovascular diseases and metabolic disorders, and across multiple technology modalities, such as antibody and protein therapeutics, gene therapy, cell therapy, vaccines and antibody-drug conjugates ("**ADCs**").

(1) Gene Therapy focuses on viral vector-based delivery and editing technologies.

(2) Cell Therapy encompasses key modalities including CAR-T (a T-cell that expresses a CAR to specifically identify and destroy cancer cells), CAR-NK (a cell that expresses CAR to recognize and eliminate targeted cancer cells via NK-mediated cytotoxicity), TCR-T (a cell therapy that engineers T cells with modified T-cell receptors to target specific cancer antigens) and Tumor-Infiltrating Lymphocytes ("**TIL**").

We serve a diversified customer base comprising leading global pharmaceutical participants and biotechnology companies. Our solutions cover diverse therapeutic areas such as oncology, autoimmune diseases, cardiovascular diseases, metabolic diseases, central nervous system and infectious diseases, while actively supporting modalities including X-drug conjugates ("**XDCs**"), ADCs, cell and gene therapy ("**CGTs**") and multi-specific antibodies.

We attach strategic importance to our business development in domestic and international markets, focusing primarily on Chinese Mainland and the United States. In 2023, 2024, 2025 and the seven months ended July 31, 2026, revenue generated from Chinese Mainland and the United States accounted for 77.7%, 76.1%, 76.3% and 77.4% of our total revenue in the respective periods. Our China-based operations focus on the industrial translation, process improvement and scalable production, forming an efficient cycle of technological upgrading and commercial application to strengthen our core capabilities. Supported by the supply chain, scale and cost competitiveness of our China operations, we have an established presence in the Asia-Pacific region and support global product delivery. Our strategic business operation in the United States enables us to establish on-site research and technical collaboration teams, as well as maintain frequent interactions with leading global biotech institutions, granting us continuous access to advanced technological know-how overseas. Through close engagement with leading global biopharmaceutical enterprises, we have absorbed advanced expertise in protein engineering, expression optimization and quality management systems. It also supports efficient production, builds our proprietary technology portfolio and accelerates our global expansion efforts. By maintaining operations close to major global biomedical innovation clusters in the United States, we are able to promptly capture cutting-edge developments, evolving industry standards and unmet research demands in drug discovery, preclinical studies and CMC process development. Our operations in the United States also play a key role in market development and brand building in North America and Europe, including customer engagement, business development and marketing activities. By integrating direct sales, localized distribution, unified quality management and cross-regional logistics, we achieve broad and efficient global coverage, enabling rapid and sustainable international growth. We are not only a partner to multinational pharmaceutical corporations but also support Chinese biopharmaceutical companies expanding internationally by providing products and technical support tailored to their overseas R&D needs and applicable quality and regulatory requirements. According to Frost & Sullivan, our customer base includes all of the top 20 global pharmaceutical companies and the top five global life science service providers in terms of revenue in 2025. We enjoy customer stickiness, evidenced by a 100% repurchase rate among our top 20 customers in terms of revenue during the Track Record Period.

Key Drivers for Our Business Growth

Our business growth is driven by multiple factors, mainly including:

Expansion of innovative therapeutics: The surge in emerging modalities and expansion of therapeutics areas have catalyzed demand for upstream reagents. As these emerging modalities involve more complex discovery and manufacturing processes than traditional therapeutics, biopharmaceutical companies increasingly rely on differentiated reagent solutions to support critical upstream workflows, driving sustained demand for our product and service offerings.

Continuous R&D and manufacturing spending growth: According to Frost & Sullivan, the R&D and manufacturing expenditure in global biopharmaceutical industry continuously increased from US$531.7 billion in 2020 to US$676.1 billion in 2025, and is expected to further increase to US$996.7 billion in 2032. The growth in R&D and manufacturing expenditure indicates potential market demand for our product and service offerings.

Ecosystem-driven value creation: We have experienced a strategic evolution from a provider of recombinant proteins to a supplier of integrated industry solutions serving the biopharmaceutical industry. By hosting industry events through our "bioSeedin" platform, we capture the latest R&D demands from downstream biopharmaceutical companies, which drives the iterative upgrading of our core products and the optimization of our technology R&D directions. Meanwhile, our industry influence and resources support industry collaboration via our "bioSeedin" platform, while the global partnerships accumulated further enhance our brand image and global product promotion. Leveraging synergies among our products, technologies, manufacturing processes and the "bioSeedin" platform, we facilitate connectivity among industry participants and offer customized solutions. We organize industry summits in the U.S. to connect Chinese biotech enterprises with multinational pharmaceutical companies and global investment institutions, facilitating cooperation and supporting the global development of domestic innovative drugs. We also build online and offline communication channels covering the entire biomedical industrial chain to promote cross-sector collaboration and technical exchanges. This holistic approach significantly enhances our value proposition, driving revenue growth through deeper customer penetration and enduring partnerships. We provide customers with customized solutions that deliver full-lifecycle empowerment to their R&D and industrialization processes. In the early drug discovery stage, we supply key reagents including recombinant proteins and antibodies, providing support for customers' target validation and drug screening. In the CMC development and manufacturing stage, we offer process development services such as cell bank construction, cell sorting, activation and expansion, together with raw materials including cell culture media, fully meeting customer needs from preclinical research to commercial production. In the clinical research and commercialization stage, we not only provide clinical sample analysis and medication monitoring solutions, but also deliver product quality documentation and technical support, helping customers conduct global multi-center clinical trials.

Our Markets

The biological reagents market has demonstrated significant growth potential, with recombinant protein reagents as its core segment. According to Frost & Sullivan, in 2025, recombinant protein reagents accounted for 13.1% of the global biological reagents market, serving as a primary growth engine for the sector. The global biological reagents market reached US$26.4 billion in 2025 and is projected to further grow to US$39.5 billion by 2032, representing a CAGR of 5.9%. In China, the market size reached US$4.6 billion in 2025 and is expected to further grow to US$13.4 billion by 2032, reflecting a robust CAGR of 16.8%. The global market for recombinant protein reagents reached US$3.5 billion in 2025 and is expected to grow to US$8.6 billion by 2032, representing a CAGR of 13.7%. The recombinant protein reagents market in China reached US$0.4 billion in 2025 and is

anticipated to reach US$1.3 billion by 2032, representing a CAGR of 17.0%. Furthermore, rising downstream demand for innovative therapeutics, such as XDCs/ADCs and CGTs, continues to drive robust demand for biological reagents for upstream supplies in the global biologics market.

Our Business Model

We focus on recombinant proteins as our core products, with a diversified portfolio of other biological reagents including antibodies, analytical assay kits, functional cell lines and cell culture media, among others. This comprehensive portfolio enables us to serve the R&D and manufacturing requirements of our customers, such as pharmaceutical and biotechnology companies across key therapeutic areas (including oncology, autoimmune diseases, cardiovascular diseases, metabolic diseases, central nervous system disorders and infectious diseases) and innovative modalities (including mAbs, multi-specific antibodies, XDCs/ADCs and CGTs). In addition, we also provide technical services such as molecular interaction analysis tailored to customers' specialized R&D needs, forming an integrated "products + services" model. Positioned as a core tool provider upstream in biopharmaceutical R&D, we are committed to supporting the full business life cycle from early research and mass production to clinical application, helping customers enhance R&D efficiency and lower development costs.

OUR STRENGTHS

We believe that the following strengths contributed to our success and will distinguish us from our competitors:

A Global Provider of Biological Reagents Engaged in the Recombinant Protein Segment

We are principally engaged in the R&D, production and sales of recombinant proteins, antibodies and analytical assay kits. As the cornerstone of our product offering, recombinant proteins are critical reagents utilized throughout the entire biopharmaceutical value chain, from R&D, manufacturing and clinical application. According to Frost & Sullivan, recombinant protein reagents accounted for 13.1% of the biological reagents market globally in 2025, which is projected to grow further to 21.9% by 2032. We ranked first among all China-based providers and third among all providers in global recombinant protein market with a market share of 2.7% globally in terms of revenue in 2025, while the aggregate market share of the top two market participants amounted to 33.0%. In addition, we ranked third among the biological reagent providers in China with a market share of 2.6% in terms of revenue in 2025, while the aggregate market share of the top two market participants amounted to 17.6%. Notably, we achieved higher revenue growth rate from 2023 to 2025 compared to that of the top five participants in terms of revenue in the global biological reagents market, according to Frost & Sullivan.

Our Products Combine Quality and Cost Advantages

We operate a full-process quality control system that complies with applicable international and industry-recognized quality standards and frameworks, including ISO 9001:2015, ISO 13485:2016, cGMP, MDSAP and Rx-360, which helps to ensure batch-to-batch consistency and high reliability. As a result, we were able to maintain a relatively low product return rate, with product returns representing less than 0.5% of our total revenue during the Track Record Period.

Beyond quality, we have achieved competitive cost efficiency for our recombinant proteins compared to the top international peers in the recombinant proteins market, according to Frost & Sullivan. We believe such achievement is driven by our continuous optimization of protein expression efficiency, production processes and supply chain management. For example, in terms of analytical assay kits, our capability to produce raw materials in-house provides a distinct structural cost advantage

compared with our peers. Our ability to offer high-performance products with a competitive cost structure enables us to deliver solutions that combine high stability with a compelling value proposition, further strengthening our competitive edge in the global market.

Comprehensive Portfolio Empowering the Full Drug Lifecycle: from R&D to Clinical Application

We have developed a synergistic product and service portfolio comprising recombinant proteins, antibodies, analytical assay kits, functional cell lines, cell culture media and specialized testing services. According to Frost & Sullivan, we demonstrate breadth and depth in our portfolio compared to industry peers:

- *In terms of breadth*: Our product portfolio encompasses over 5,000 SKUs as of the Latest Practicable Date, spanning substantially all mainstream drug targets and mechanisms of action in the market. This wide coverage ensures we can support nearly all major therapeutic modalities.
- *In terms of depth*: We provide granular coverage for individual therapeutic targets, offering a comprehensive array of protein modifications and variants for the most sought-after targets.

This combination of "broad coverage" and "deep expertise" positions us as a holistic solutions provider, capable of addressing diverse customer needs across research, production and clinical scenarios. By delivering systematic solutions rather than standalone products, we significantly enhance customer stickiness and unlock opportunities for upselling and cross-selling.

Strategic Focus on High-Value Segments with High Technical Barriers

We have established a competitive stronghold by targeting high-value sub-segments and resolving key bottlenecks in the drug discovery process. Our technological edge is demonstrated in the following two key areas:

- *Superior expression platforms*: Reagents produced via our HEK293 (a cell line that is derived from human embryonic kidney tissue for biotech research and protein production) expression platform exhibit high clinical relevance, underpinned by extensive application data that ensures reliability in critical R&D workflows.
- *Mastery of complex targets*: We have developed differentiated capabilities in expressing full-length multi-pass transmembrane proteins — a well-known difficult class of targets. This expertise allows us to satisfy the narrowly-tailored demand from top-tier pharmaceutical and research institutions.

We intend to continue to enhance our technological capabilities to strengthen our presence in high-value and high-barrier segments of the life science tools market. Through continuous enhancement of our technology portfolio, product breadth and service capabilities, we aim to increase our global market penetration and reinforce our brand recognition as a comprehensive solution provider to the biopharmaceutical industry.

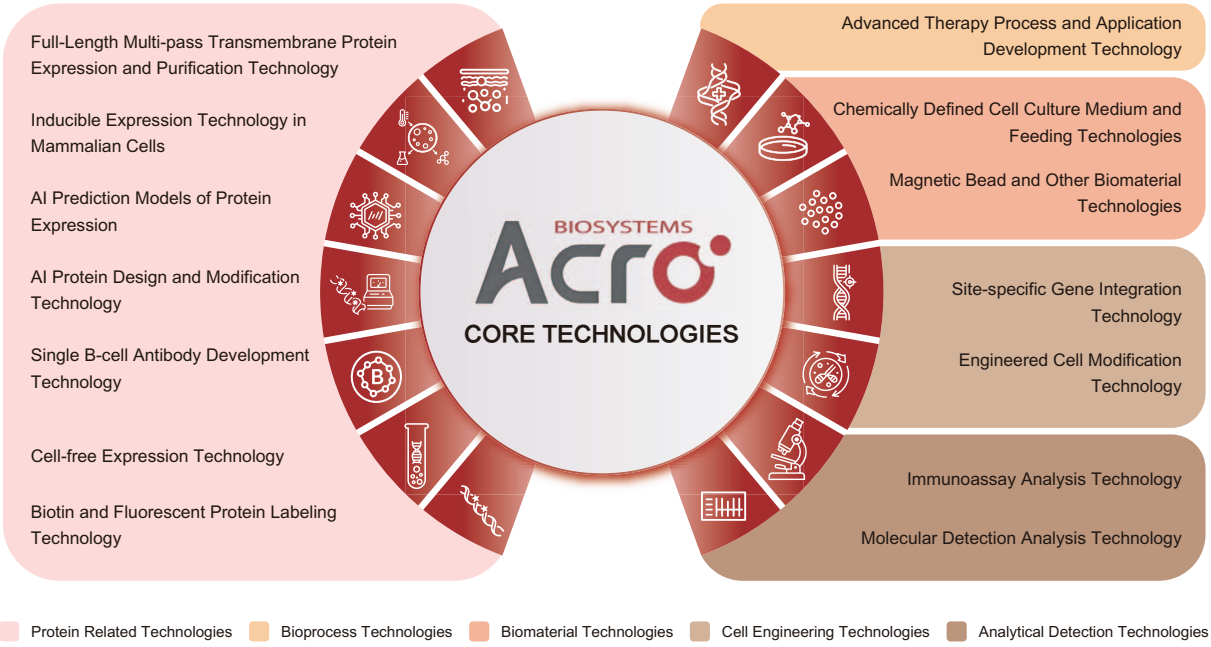
Continuous Innovation to Address Customer Needs Across the Industry Value Chain

Through continuous innovation in technologies, products and application areas, we have broadened our product portfolio to support the evolving needs of biopharmaceutical customers across their industry value chain.

Technological Innovation

We have developed a spectrum of core proprietary technologies across five major categories comprising of protein-related technologies, bioprocess technologies, biomaterial technologies, cell engineering technologies and analytical and detection technologies. These technologies support the key

technical requirements across all stages of R&D and production for recombinant proteins, antibodies, analytical assay kits and other biological reagents products. The chart below illustrates our 14 core technologies under five major categories and their respective application fields:



In parallel with our core business, we actively drive technological breakthroughs in emerging fields. We have developed a proprietary technology portfolio that includes AI and metabolomics-based serum-free cell culture media, nanobody development, antibody-drug conjugate ("**ADC**") payload conjugation and intracellular endocytosis detection for ADC drugs. This forward-looking technology matrix positions us well in responding swiftly to evolving customer needs and supports the continuous enhancement of our product offerings.

Product Innovation

Our product strategy is anchored in a deep understanding of downstream customer needs. We conduct targeted product design validated by our proprietary technology platforms. Through iterative optimization and rigorous testing, we ensure that our product attributes are precisely aligned with the diverse and complex application scenarios encountered in biopharmaceutical R&D and manufacturing.

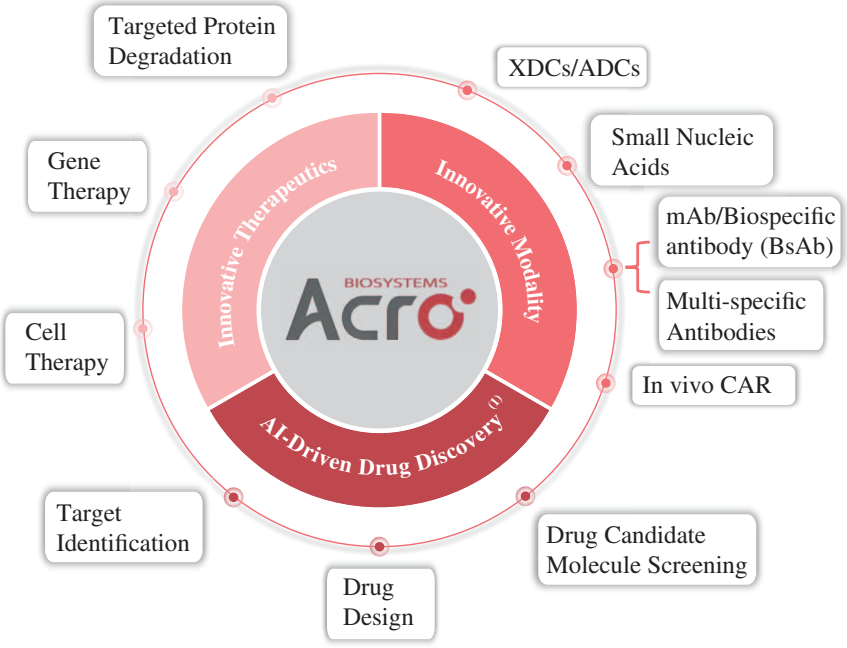
Our product pipeline spans a wide spectrum of drug targets, mechanisms of action and innovative therapeutic modalities, covering broad, emerging and niche application areas. Over the years, we have successively launched a broad range of innovative products, including:

- *Proteins for innovative drug targets*: GPCR (G protein-coupled receptors, integral membrane proteins containing an extracellular amino terminus, seven transmembrane α-helical domains and an intracellular carboxy terminus) target proteins such as 7-transmembrane Chemokine (C-C motif) receptor 8 (CCR8, a chemokine receptor that is expressed on a distinct subset of immune cells and that plays multifaceted roles in both homeostatic and pathological cell migration) and GPRC5D (G protein-coupled receptor, class C, group 5, member D, an orphan G protein-coupled receptor of unclear function in human tissue); 11-transmembrane SLC45A3 (Solute carrier family 45, member 3, an androgen-regulated, prostate-specific protein that is abundantly expressed in normal and malignant prostate epithelial cells) target proteins; B-cell maturation antigen target proteins; and TNF (tumor necrosis factor, formerly known as TNF-α, a chemical messenger produced by the immune system that induces inflammation) superfamily highly bioactive trimeric proteins.

- *Engineered and modified proteins*: laminin series proteins; AI-engineered salt-tolerant universal nuclease; long-acting FGF2 (a specific fibroblast growth factor that has alkaline isoelectric point) and IL21 cytokines (an immunostimulatory cytokine that belongs to the common gamma-chain family of cytokines); and highly active biotin- and fluorescently labeled proteins.
- *Viral and conformational proteins*: viral proteins in multiple conformations, as well as analytical and quantification tools related to adeno-associated virus, a non-enveloped virus that can be engineered to deliver DNA to target cells.
- *Cellular tools and functional materials*: engineered functional cell lines; a series of magnetic beads for cell activation and sorting; biotin-labeled protein pre-conjugated magnetic beads; and cell-free protein expression and custom development technical services.
- *CMC-stage products and testing tools*: a suite of GMP products for CMC production; process residual test kits for CMC quality control; immunohistochemistry (a technique used to detect specific antigens in tissue sections using antibody-based staining) antibodies for pre-clinical studies and clinical trial stages; ADC conjugation kits; ADC internalization analytical assay kits; recombinant factor C endotoxin detection analytical assay kits; blood drug concentration test kits; and neutralization antibody screening kits.

Innovation in Application Fields

We maintain a proactive and forward-looking product development strategy. We closely align our innovation trajectory with the evolving application needs of downstream customers and continuously iterating and upgrading our products to support R&D and production of emerging biologics and novel therapies. As AI-driven drug discovery accelerates and the industry shifts from traditional monoclonal antibodies to emerging modalities, such as XDCs/ADCs, CGTs and multi-specific antibodies, we have proactively built a corresponding portfolio of life science tools. Our offerings cover the full lifecycle of biologics, including target proteins, fluorescently labeled antibodies, cytokines, salt-tolerant nucleases and specialized media for cellular immunotherapy and stem cell expansion. The chart below illustrates the core innovation fields in three dimensions which we will focus on:



Note:

(1) The AI technology adopted in our business operations is based on a third-party free open-source model, which we have fine-tuned to enhance the accuracy and efficiency of the prediction of protein expression level. As advised by our PRC Legal Advisor, as such AI technology is solely used for our internal R&D purposes, it does not fall within the scope of application of any AI-related laws and regulations, and thus we did not violate any AI-related laws and regulations during the Track Record Period and up to the Latest Practicable Date.

Strategic Alignment with Regulatory Tailwinds

We continue to expand the scope of application fields of our products by responding to persistent, high-level demands in rapidly evolving therapeutic fields and their associated development and manufacturing processes. In September 2025, the PRC government promulgated the Regulations on the Management of Clinical Research and Clinical Translation Application of New Biomedical Technologies (State Council Decree No. 818) (《生物醫學新技術臨床研究和臨床轉化應用管理條例》(國務院政令818號文). This policy is designed to shorten clinical trial cycles for cell therapy, gene therapy and other novel biomedical technologies, thereby reducing development costs and accelerating clinical translation. Capitalizing on this trend, we have established GMP-grade bioreagent production lines capable of supporting the stringent R&D and treatment needs of CGTs and innovative technologies. With a portfolio of mature products already validated by downstream customers, we have built a solid market position, which positions us well to capture significant market opportunities as the demand for innovative therapies continues to increase rapidly.

Globally Integrated R&D Network Driving Continuous Innovation

By strategically positioning R&D centers in China and the United States, we have built a global research infrastructure that supports a comprehensive technological system spanning the full lifecycle of life science tool development and production.

- *China R&D Center*: Focuses on industrialization technologies, process optimization and cost efficiency, ensuring scalable and economical production.
- *US R&D Center*: Acts as our innovation hub, focusing on tracking frontier technologies and collaborating with leading pharmaceutical companies to address their customized requirements.

Strategic Collaboration and Commercial Translation

Through our US hub, we maintain deep collaborative relationships with major pharmaceutical and biotechnology companies. As of the Latest Practicable Date, we had initiated multiple customized product development projects with the top five global pharmaceutical companies in terms of revenue in 2025, focusing on emerging drug mechanisms of action and novel target development. This continuous collaboration integrates us into the international innovation ecosystem and reinforces our role as a long-term technology partner.

During the Track Record Period, for example, we collaborated with a leading global biopharmaceutical company to enhance quality control and release testing for mRNA (a molecule that carries genetic instructions from DNA for protein synthesis in cells) vaccine development. Addressing the customer's specific R&D and regulatory requirements, we developed and optimized customized analytical reagents for key quality attributes. This collaboration facilitated the advancement of the customer's vaccine pipeline.

Crucially, we successfully translated this customized success into broader market value. Certain reagents and testing solutions validated through this collaboration were subsequently standardized and incorporated into our commercial product portfolio. These industry-validated, ready-to-use tools now help reduce development barriers for a broader range of mRNA developers, demonstrating our ability to transform specific R&D needs into scalable, reproducible products that advance the global industry.

High-Caliber R&D Talent

As of July 31, 2026, our R&D team comprised 295 members, approximately 60% of whom held master's degrees or above. Our core technical leaders possess an average of approximately nine years of R&D experience in biotechnology. Leveraging the synergies of our global R&D network, we effectively track international technology trends, engage deeply in customer-driven projects and deliver competitive, high-value products to biopharmaceutical companies worldwide.

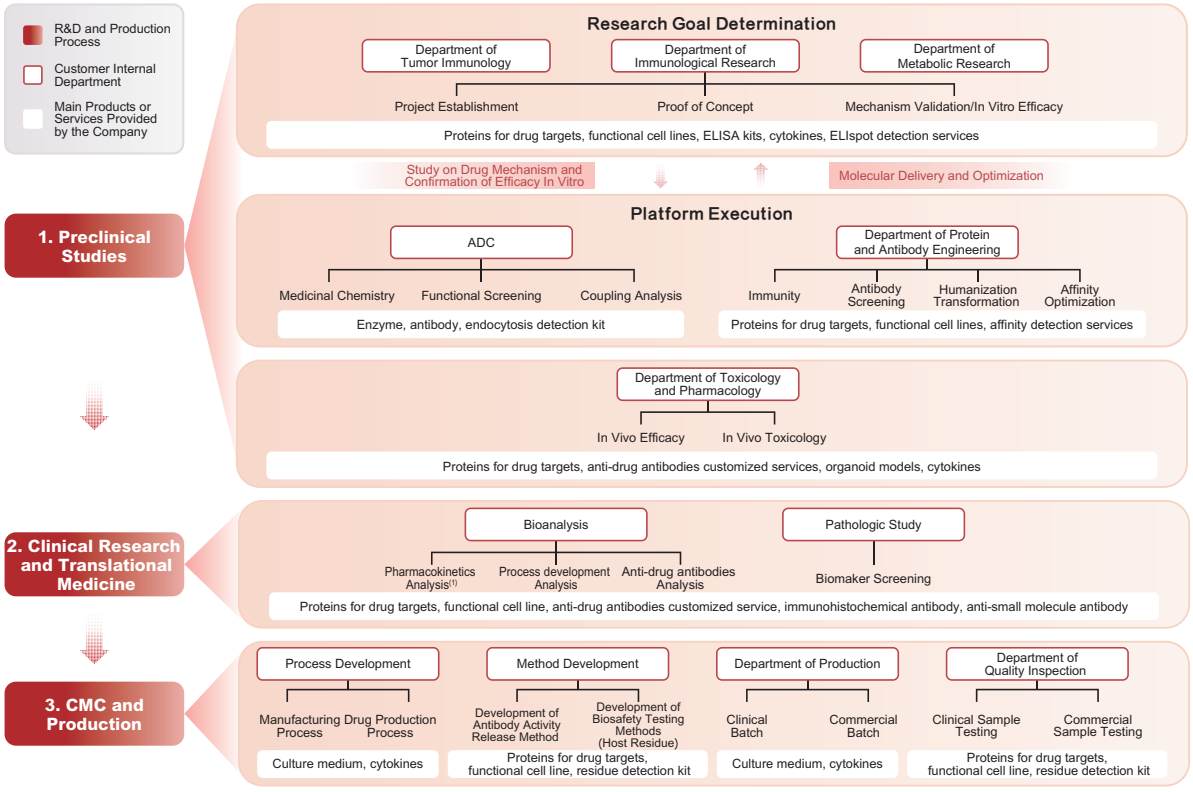
A Loyal and High-quality Customer Base with Sustainable Collaboration

Leveraging our strengths in technological innovation, product quality control, market channels and a comprehensive after-sales service ecosystem, we have developed an established brand reputation in the life science tools and biological reagents industry. According to Frost & Sullivan, we ranked among the top three companies globally in the recombinant protein reagents market with a market share of 2.7% globally in terms of revenue in 2025, while the aggregate market share of the top two market participants amounted to 33.0%. Our customer base further reinforces the commercial strength underlying our global market position.

Strong Brand Recognition and World-class Premium Customer Base

We have established stable, long-term partnerships with major global pharmaceutical companies, key research institutions and government organizations. This loyalty is evidenced by a 100% repurchase rate among our top 20 customers in terms of revenue during the Track Record Period.

As of July 31, 2026, our global footprint spanned approximately 80 countries and regions, serving a cumulative total of over 12,000 end customers. Notably, we have evolved from a transactional tool provider to a strategic R&D partner. Specifically, while we historically provided standardized products, the expansion of our business, advancement in R&D capabilities and improvement in product quality have enabled us to offer customized products tailored to customers' requirements such as optimized product specifications and required operating procedures, as well as subsequent ongoing technical services. Notably, as of the Latest Practicable Date, we had initiated customized product development projects with top five global pharmaceutical companies in terms of revenue in 2025, focusing on emerging drug mechanisms of action and novel target development. The below chart demonstrates how our solutions empower a biopharmaceutical customer by streamlining workflows and supporting internal cross-functional demands, from preclinical research through clinical trial and into commercial manufacturing:



Note:

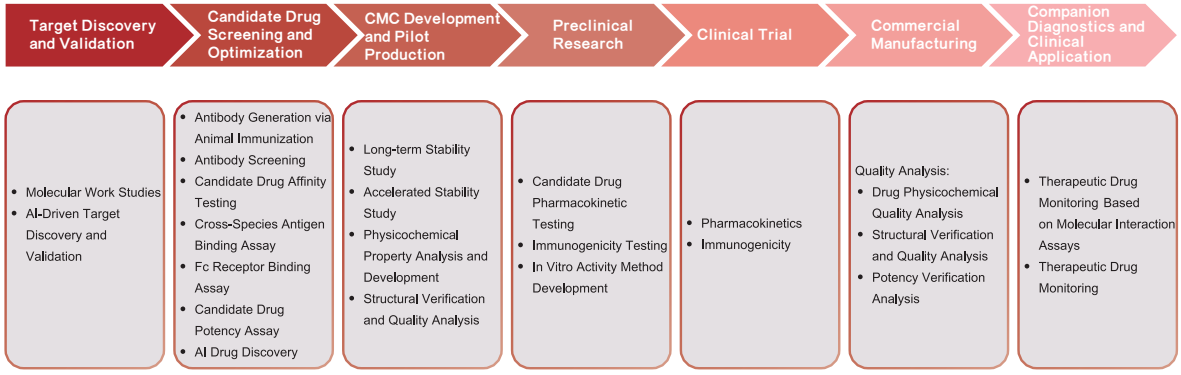
(1) Pharmacokinetics analysis is a study of drug absorption, distribution, metabolism and excretion in the body.

Strategic Empowerment of High-Growth Innovators through Early Engagement and Full-Lifecycle Support

We are committed to forging long-term partnerships with high-growth biotechnology companies, empowering them throughout the entire drug development lifecycle.

- *Early Engagement*: Collaboration often begins at the early stages of drug discovery, where we provide essential tools and technical support for target identification, validation and drug candidate screening.
- *Lifecycle Scalability*: As the customer's R&D progresses, our solutions extend seamlessly across subsequent stages, including CMC development, pilot-scale production, pre-clinical studies, clinical trials and commercial production.

The chart below illustrates our support framework throughout a drug development project:



This "Early Engagement" model enables us to gain deep insights into emerging scientific trends and maintain deep involvement in our customers' R&D and production processes. By delivering a matrix of standardized products, customized solutions and technical services, we effectively address diverse needs across different pipeline stages.

Building a Synergistic Industry Ecosystem and Exploring Value-Sharing Collaboration Models

We aim to elevate our role in the biopharmaceutical value chain by fostering deep industry collaboration. By integrating with upstream and downstream participants, we broaden our service scope and maximize the value delivered to customers, through following measures:

Building the "BioSeedin" Innovation Ecosystem

Through our sub-brand "bioSeedin", we promote active exchange and collaboration among industry participants. Key initiatives include:

- *Industry Connectivity*: Organizing premier conferences such as the Biopharmaceutical Developer Innovation Conference and operating a global biopharmaceutical media platform. Leveraging our industry influence and resources, we assist our biopharmaceutical customers in enhancing their corporate influence and industry profile through media operations and premium industry events, while facilitating their access to potential customers and helping them capture business and transaction opportunities.

- *Asset Management and Advisory:* Providing partner-matching services for licensing (in/out) transactions and co-development sourcing. We also offer advisory services on public relations, M&A and capital raising. Specifically, certain drug development companies seek to monetize their partially advanced R&D pipelines to secure cash flow, while others lack in-house teams and network resources to identify suitable partners. These market participants rely on third-party professional services to expand their network coverage, formulate transaction structures and proposals and address cooperative issues. For example, in June 2024, bioSeedin acted as the exclusive service advisor for a global collaboration on innovative drugs in the fields of anti-tumor cachexia and muscle enhancement between two renowned universities in the PRC and a US-based biopharmaceutical company.

As such services are commercial in nature, we are not required to obtain additional regulatory approvals or licenses. We intend to continue and further develop our "bioSeedin" innovation ecosystem to enhance our brand and industry influence.

Establishing "ACRO Certify" Global Access Program

Through our "ACRO Certify" brand, we empower biotechnology start-ups seeking global market entry. We assist Chinese biotech innovators in accessing international markets by providing validation and channel support for their innovative reagents and solutions. These initiatives enrich our capabilities and connect distinct segments of the biopharmaceutical value chain.

Creating Value-Sharing Collaboration Models

Building on our long-standing customer relationships, we are engaging in drug development projects not only through product supply but also via technology and service collaboration. We are actively exploring risk-sharing and benefit-sharing mechanisms, including potential profit-sharing arrangements, where we share in the commercial outcomes of jointly developed products. This model fosters a deeper, more strategic partnership, aligning our long-term interests with the success of our customers beyond the traditional supplier-customer dynamic.

Leveraging our deep industry insights and global network, we also strategically deploy capital into funds focused on life sciences and selectively invest in innovative targets to support high-growth enterprises.

Scalable Production Infrastructure and Global Commercial Network

Robust Localized Production Capabilities

We have established an integrated supply chain underpinned by a large-scale production hub in China. During the Track Record Period, our production facilities maintained high utilization rates, reflecting strong market demand. Notably, our GMP-grade production facility in Suzhou, Jiangsu features advanced process control systems and stringent contamination prevention measures, ensuring rigorous quality compliance for high-growth application areas such as CGTs.

Globally Connected Sales Network

We have built a comprehensive global commercial footprint with tailored expansion strategies for diverse regional markets. As of July 31, 2026, we had cumulatively served over 12,000 end customers globally, leveraging our following sales channels:

- *Direct Sales*: Our strategy is anchored in a direct sales model, which contributed 74.9% of our total revenue during the Track Record Period. This approach enables deep customer engagement and fosters long-term loyalty.
- *Distribution Model*: We engage distributors to complement our direct sales channels and extend the market reach of our products. Nevertheless, we maintain direct technical alignment with end users to ensure the precise identification of customer needs and timely support.

Multi-Channel Marketing Strategy

We employ a brand-driven marketing strategy leveraging multi-dimensional channels to enhance brand visibility and drive sales. Our initiatives include digital marketing (e.g., Google and Baidu), presence in top-tier academic journals (e.g., Nature) and active participation in industry exhibitions and scientific seminars.

Experienced Management Team Supported by a Robust Talent Ecosystem

Our management team possesses extensive experience in multinational life science enterprises and brings a truly global perspective to our operations. Their expertise spans critical technical domains, including protein engineering, cell engineering, genetic engineering and bioprocessing, as well as corporate management and capital markets. This unique blend of scientific depth and managerial acumen has been the bedrock of our development since inception.

Mr. Chen Yiding is our Chairman & General Manager. With over 20 years of experience in China's biological reagent industry, Mr. Chen provides valuable experience to our Group. Holding a master's degree in bioengineering, he previously held positions at industry-leading enterprises, including Thermo Fisher. Through decades of focused dedication, Mr. Chen has established himself as an expert in cell and protein engineering.

Mr. Miao Jingyun is our Deputy General Manager. Mr. Miao oversees our Group's operations and management, drawing on more than 20 years of experience in product management and process development at top-tier multinational corporations, including GE Healthcare. Since obtaining his master's degree in bioengineering in 2003, Mr. Miao has specialized in biopharmaceutical process development and production, earning a reputation in the field.

Our market position is reinforced by a talent system comprising our R&D and sales and marketing teams. Our R&D team brings advanced academic credentials and knowledge of biopharmaceutical development and commercialization. Our sales and marketing team combines global insights with local execution, ensuring effective market penetration through our established sales network.

OUR STRATEGIES

We will implement the following key strategies in line with our mission and vision:

Expand and Diversify Our Portfolio to Deliver Comprehensive Customized Solutions

Strategic Alignment with Industry Evolution

We will maintain our strategic focus on the rapidly evolving biopharmaceutical industry, aligning our offerings precisely with every stage of the customer lifecycle–from drug discovery and development to manufacturing and clinical application. We aim to:

- *Fortify Core Offerings:* Continuously expand our flagship product lines, including recombinant proteins, antibodies and functional cell lines.
- *Capture Emerging Opportunities:* Broaden our coverage of emerging therapeutic targets and mechanisms of action. We will build application-oriented product layouts tailored to evolving pipelines in high-growth areas such as immuno-oncology, cell and gene therapy ("**CGT**") and AI-driven drug discovery.

Execution from Full-Lifecycle Solution Matrix

To execute this strategy, we will deepen our insights into downstream customer needs across all key phases. Building on these insights, we plan to develop a "full-lifecycle" offering that integrates:

- *Biological Reagents:* Supporting new targets and novel mechanisms.
- *Process Solutions:* Including cell culture media, purification products and customized development solutions.
- *Instruments and Software:* Offering analytical quality control kits, automated R&D laboratory solutions and next-generation detection systems.

We will leverage our core technological capabilities to iteratively upgrade these products and services, ensuring they remain at the forefront of emerging drug targets and innovative analytical platforms.

Strategic Outcome with Scalability and Stickiness

Our goal is to construct a diversified and scalable product and service matrix that is deeply integrated into downstream applications. By doing so, we expect to (i) enhance the breadth and depth of our solutions; (ii) strengthen our competitive barriers; and (iii) foster recurring collaboration throughout customer R&D pipelines. This market-driven expansion is designed to capture the growing global demand for standardized, high-performance biological reagents and scientific services from biopharmaceutical companies, research institutions and government organizations worldwide. Therefore, approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, or HK$**[REDACTED]** million, is expected to be used for further expanding our product portfolio, including increasing the breadth and depth of product types such as recombinant proteins, antibodies and functional cell lines. See "Future Plans and Use of **[REDACTED]**."

Proactively Address Emerging Technologies and Therapeutic Modalities

Strategic Focus on High-Growth Modalities

We are strategically positioning ourselves to capture the surging demand from customers developing biopharmaceuticals, including bispecific/multi-specific antibodies, ADCs/XDCs and CGT. Recognizing the critical need for high-quality reagents and function-validated tools in these fields, we are developing targeted analytical assay kits, specialized cell culture media and technical solutions tailored to these innovative therapies. Leveraging our core technological strengths in recombinant proteins, antibodies, functional cell lines and cytokines, we aim to build a comprehensive offering that supports the full lifecycle of these modalities covering drug R&D, manufacturing and clinical application.

Solution Layout

We have developed specialized solutions tailored to specific therapeutic frontiers:

- *Antibody and Conjugate Therapies (Bispecifics, Multi-specifics, ADCs/XDCs):* We provide customized solutions supporting new drug discovery, bioprocess development, early research testing, CMC quality control and clinical sample analysis.
- *Gene Therapy:* Our portfolio includes products supporting immunogenicity analysis, vector delivery technologies, salt-tolerant nucleases, transfection reagents (specialized chemical or biological substances used to introduce nucleic acids into eukaryotic cells in vitro), vector titer detection kits and CMC quality control kits.
- *Cell Therapy:* We offer specific antibodies, cytokines, chemically defined serum-free media, functional verification kits, extracellular matrix proteins, gene editing enzyme, differentiation factors, growth factors and residual detection kits optimized for T-cell, NK-cell, stem cell, related cell therapies and CMC quality control kits. For the purpose of cell therapy, our differentiation factors and growth factors are key materials for growing immune and stem cells. For immune cell therapies including CAR-T and CAR-NK, our growth factors support robust T-cell proliferation and NK-cell maturation. For stem cell therapy applications, our factors support full-scale stem cell growth and differentiation.
- *General R&D, Pharmacology and Toxicology:* We supply a full suite of specialized reagents and consumables alongside comprehensive analytical and quality control solutions to support pharmacology and toxicology studies.

Continuous Innovation

We will rigorously monitor technological evolution and regulatory developments in emerging therapeutic fields. We plan to strategically deploy resources into frontier areas, including small nucleic acids, protein degradation, chemiluminescent molecule platforms, in vivo delivery technologies and innovative vaccines (e.g., cancer vaccines). Furthermore, we are investing in automated high-throughput reagents and unmanned laboratory solutions to ensure our product strategy remains adaptive, forward-looking and resilient.

In addition, Advances in AIDD technologies have enhanced the efficiency of candidate molecule design and generation, resulting in increasing downstream demand for rapid experimental validation of a large number of candidate molecules. Leveraging our established technical capabilities in recombinant proteins and bioassays, we are able to support the experimental validation of a broad range of AI-generated candidate molecules, thereby facilitating candidate screening and optimization for our customers. To further enhance our capabilities in this area, we expect to use approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, or HK$**[REDACTED]** million, for establishing automated high-throughput wet-lab facilities. See "Future Plans and Use of **[REDACTED]**."

Accelerate the Construction of Integrated Product, Service and Platform Capabilities

Continuing Strategic Transformation

We are actively executing a strategic shift from a product-centric model to an integrated business model with enhanced product, service and platform capabilities. Our objective is to create a holistic environment that supports the full lifecycle of biopharmaceutical companies covering R&D, manufacturing and clinical application. This strategy is designed to deepen customer engagement, maximize the lifetime value of each customer and unlock synergistic growth across our diverse offerings. We plan to fortify this ecosystem through four strategic pillars:

- *Synergistic Integration of Products and Services*: While continuously enriching our core portfolio, we will strengthen our localized supply chain, brand equity and customer service systems. This creates a seamless feedback loop where service insights drive product innovation and product breadth enhances service capability.
- *An Industry Connectivity Platform — "bioSeedin":* Through our "bioSeedin" sub-brand, we aim to serve as a nexus for industry connectivity. We will continue to host premier conferences, operate authoritative industry media and develop online technical forums. Crucially, we facilitate global visibility for China's innovative drug assets and provide deal-making support, including pipeline collaboration matching and project execution, to foster cross-border partnerships.
- *Empowerment of Innovative Biotechnologies — "ACRO Certify":* Leveraging the "ACRO Certify" brand, we plan to expand our industry influence by providing market access certification. Specifically, we grant ACROCertify certification, our commercial support service, to qualified products of emerging biotechnology companies. We assist partners in launching and commercializing their products in overseas markets, covering channel matching, market strategy formulation, global logistics and brand promotion. This initiative empowers emerging biotechnology companies to navigate regulatory hurdles and accelerate their entry into international markets. Amid industry globalization, emerging biotechnology companies have strong demand for overseas commercialization support. We provide such commercial services on an asset-light basis without additional regulatory approvals, and will further develop ACROCertify to strengthen our brand and industry position. These services address partners' key market entry challenges and enhance synergy with our core business by expanding customer reach and increasing customer loyalty. In addition, the ACROCertify

service may represent a new profit source for us. Adopting a composite pricing model including basic fees, performance-based sharing and customized charges, the service features sustainable profitability with overseas commercialization progress of such emerging biotechnology companies. According to Frost & Sullivan, given that companies in the biological reagents industry increasingly seek to strengthen their strategic positioning along the industry chain and enhance operational synergies, the provision of such market access certification services is not uncommon practice among industry participants.

- *Strategic Capital Deployment:* We intend to selectively invest in high-potential start-ups and growth-stage companies within the biopharmaceutical sector through direct or indirect equity investments. Beyond capital, we plan to provide post-investment value-add by leveraging our deep industry expertise and ecosystem resources to accelerate their growth.

By developing these integrated product, service and platform capabilities, we aim to deliver coordinated, full-lifecycle support to our customers. This interconnected ecosystem supports enduring collaboration, increasing share of wallet and serves as a driver for our sustainable long-term development.

Deepen Global Localization to Accelerate International Market Penetration

Strategic Commercial Expansion

We are executing an active "Global Localization" strategy to fortify our international presence and responsiveness, with following specific measures:

- *In Mature Markets:* We aim to enhance commercial penetration by increasing the proportion of direct sales, strengthening localized marketing channels and optimizing technical support and logistics systems.

- *In High-Growth Markets:* We plan to capitalize on the burgeoning potential in Europe and the Asia-Pacific region by establishing regional hubs and synergizing with local distributors and service providers. Through these initiatives, we aim to expand customer coverage, sharpen market responsiveness and build commercial scalability across diverse geographic regions.

Therefore, approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, or HK$**[REDACTED]** million, is expected to be used for the expansion of our international marketing and sales network. See "Future Plans and Use of **[REDACTED]**."

Upgrading Global Operational Infrastructure

To underpin these commercial objectives, we are upgrading our global operational infrastructure with an "In-region, For-region" approach:

- *R&D Footprint:* We intend to expand our R&D footprint by establishing additional centers in key overseas markets. Specifically, in Europe, we plan to grow our R&D presence through new laboratories or strategic mergers and acquisitions. Therefore, approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, or HK$**[REDACTED]** million, is expected to be used for establishing a new R&D center in Europe. See "Future Plans and Use of **[REDACTED]**."

- *Localized Production and Talent:* We aim to develop localized production bases and service teams in Europe, recruiting local technical and professional talent. These measures will enable us to provide faster on-site technical support, seamless communication and an enhanced customer experience, effectively bridging time zone differences. Therefore,

approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, or HK$**[REDACTED]** million, is expected to be used for enhancing our global production and delivery capabilities. See "Future Plans and Use of **[REDACTED]**."

Deepening Market Proximity and Sustainability

Through this global localization strategy, we expect to achieve:

- *Deeper Collaboration:* Offering proximity-based support across the full lifecycle of biopharmaceutical R&D from discovery to commercial production.
- *Revenue Diversification:* Forming regionally diversified revenue streams to mitigate risk and reinforce the commercial sustainability of our international business.
- *Service Capability:* Enhancing our ability to serve large multinational pharmaceutical companies with complex, cross-border needs.

By aligning R&D, production and services more closely with local customer needs, we are positioned to support the long-term development of biopharmaceuticals and innovative therapeutics on a global scale.

Explore Strategic Investment and M&A Opportunities

Implementing Strategic Approach

We regard strategic investment and M&A as a vital complement to our organic growth. We prioritize high-quality targets that possess unique technology platforms, differentiated product portfolios or established market channels in specialized segments by implementing following selection criteria:

- *Technological Synergies*: Companies with novel protein engineering technologies, high-efficiency antibody discovery platforms, advanced cell model development capabilities, or innovative diagnostic technologies. For the investment targets, "unique technology platforms" do not merely refer to novel or distinctive technical frameworks, but rather refer to industry-leading, practical and scalable technical systems that can form strong synergy with our existing core technologies. These platforms must be protected by clear intellectual property rights, verified by GMP standards and compatible with our existing R&D and production system, so as to effectively strengthen our core technical capability.
- *Portfolio Complementarity*: Companies offering distinctive product portfolios in areas such as biopharmaceutical pre-clinical studies tools, diagnostic raw materials and bioprocess consumables. For the investment targets, "differentiated product portfolios" are not limited to unique or diverse product types, but rather refer to market-oriented product combinations that can effectively fill our product gaps and generate practical synergies. Specifically, these differentiated product portfolios should focus on high-demand niche segments, featuring high profit margins and low homogenization. They must have undergone commercial validation and built a stable customer base; more importantly, they should be closely aligned with our core business of recombinant proteins and antibodies, and capable of integrating with our global sales network to enhance our overall market competitiveness and reach.
- *Commercial Reach*: Companies with mature sales networks and established customer bases in key regional markets, particularly North America, Europe and the Asia-Pacific region.

Facilitating Integration and Business Empowerment

We plan to acquire businesses engaged in life science reagents, detection technologies, automated equipment and consumables, as well as specialized CDMO services. These targets are complementary to our existing core business focused on recombinant proteins, which supports the R&D and

manufacturing of biopharmaceuticals including antibodies, cell therapies and ADCs, and are expected to generate substantial synergies. Therefore, approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, or HK$**[REDACTED]** million, is expected to be used for pursuing strategic acquisition and investment opportunities. See "Future Plans and Use of **[REDACTED]**."

OUR PRODUCTS AND SERVICES

We are committed to providing comprehensive and full-lifecycle solutions that support our customers across R&D, manufacturing and clinical application. We develop, manufacture and sell a broad portfolio of life science tools, primarily comprising recombinant proteins, analytical assay kits, antibodies and functional cell lines. Complementing our product portfolio, we also offer a range of technical services.

The table below sets forth a breakdown of our revenue by business line for the periods indicated:

	For the year ended December 31,						For the seven months ended July 31,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)									
							(unaudited)			
Recombinant proteins	456,501	84.0	535,694	83.1	678,962	81.0	377,517	81.6	486,362	80.2
Antibodies	28,322	5.2	32,632	5.1	39,199	4.7	22,766	4.9	27,193	4.5
Analytical assay kits	19,041	3.5	22,415	3.5	37,159	4.4	18,181	3.9	30,381	5.0
Technical services	15,492	2.8	17,448	2.7	17,077	2.0	8,313	1.8	17,513	2.9
Others	24,297	4.5	36,834	5.6	65,721	7.9	35,606	7.8	44,728	7.4
— Functional cell lines	4,165	0.8	12,412	1.9	22,990	2.7	12,599	2.7	20,201	3.3
— Cell culture media	4,445	0.8	5,773	0.9	10,349	1.2	6,402	1.4	8,300	1.4
— Other products and services[(1)]	15,687	2.9	18,649	2.8	32,382	4.0	16,605	3.7	16,227	2.7
Total	**543,653**	**100.0**	**645,023**	**100.0**	**838,118**	**100.0**	**462,383**	**100.0**	**606,177**	**100.0**

Note:

(1) Other products and services primarily included (i) conference income, which mainly consisted of fees charged by us for organizing or hosting various large-scale industry conferences and seminars, (ii) cell development income, derived from the provision of customized cell model development services, and (iii) other miscellaneous income.

The following table sets forth the sales volume and average selling price by business line for the periods indicated:

	For the year ended December 31,						For the seven months ended July 31,			
	2023		2024		2025		2025		2026	
	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price
	mg	*RMB in thousand/ mg*	*mg*	*RMB in thousand/ mg*	*mg*	*RMB in thousand/ mg*	*mg*	*RMB in thousand/ mg*	*mg*	*RMB in thousand/ mg*
Recombinant proteins[(1)]	30,467	15.0	44,032	12.2	43,157	15.7	24,795	15.2	31,641	15.4
— Standardized[(2)]	30,312	15.0	43,716	12.1	42,746	15.7	24,543	15.1	31,058	15.4
— Customized	155	15.0	316	24.1	411	23.9	252	23.9	583	16.4
Antibodies	1,248	22.7	2,489	13.1	4,415	8.9	2,876	7.9	2,220	12.2
— Standardized[(3)]	1,248	22.7	2,416	13.5	4,314	9.1	2,775	8.2	2,118	12.8
— Customized[(4)]	—	—	73	1.4	101	1.0	101	0.8	103	0.5

	For the year ended December 31,						For the seven months ended July 31,			
	2023		2024		2025		2025		2026	
	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price
	unit	*RMB in thousand/ unit*	*unit*	*RMB in thousand/ unit*	*unit*	*RMB in thousand/ unit*	*unit*	*RMB in thousand/ unit*	*unit*	*RMB in thousand/ unit*
Analytical assay kits	6,257	3.0	7,840	2.9	10,961	3.4	5,750	3.2	8,545	3.6
— Standardized	6,257	3.0	7,840	2.9	10,933	3.4	5,750	3.2	8,523	3.6
— Customized	—	—	—	—	28	6.8	—	—	22	5.6
	Unit	*RMB in thousand/ unit*	*Unit*	*RMB in thousand/ unit*	*Unit*	*RMB in thousand/ unit*	*Unit*	*RMB in thousand/ unit*	*Unit*	*RMB in thousand/ unit*
Technical Services[5]	558	27.8	596	29.3	587	29.1	315	26.4	597	29.3

Notes:

(1) Our recombinant proteins were sold in a variety of product specifications, including those measured in milligrams, micrograms, tests, units, milliliters and unit activities, among others. For clarification purposes, recombinant proteins measured in milligrams included recombinant proteins measured in other specifications after conversion.

(2) The average selling prices of standardized recombinant proteins were relatively lower in 2024, primarily due to increased sales volume of products with larger specifications, which were generally sold at lower average selling prices.

(3) The average selling price of antibodies decreased continuously from 2023 to 2025, primarily driven by the introduction of new antibody products with relatively lower prices. The average selling price of antibodies increased from the seven months ended July 31, 2025 to the seven months ended July 31, 2026, primarily because we recorded higher sales of products with lower unit prices and larger specifications in the seven months ended July 31, 2025 in response to the market demand.

(4) The average selling prices of customized antibodies were lower than standardized antibodies, primarily due to larger purchase volumes from customers for customized products, which entitled them to preferential average selling prices.

(5) The fluctuation of the average selling prices of our technical services was primarily due to variations in the complexity and duration of individual service projects.

Our Products

The table below sets forth the key products we offer to our customers.

Product Type*	Application	Representative Product Series
Recombinant proteins 	Applicable as a life sciences research tool primarily used in biochemistry, structure biology and immunology studies.	• Immune checkpoint proteins • Autoimmune disease targets • Metabolic disease targets • Fc receptor protein • Cytokine targets • GMP-grade proteins • Brain and neuroproteins • Cell therapy targets • ADC target protein • Tumor microenvironment proteins • Relevant customized development solutions

Product Type*	Application	Representative Product Series
Antibodies 	Applicable in immunology experiments and for protein detection and drug R&D.	• Immunohistochemistry (a technique used to detect specific antigens in tissue sections using antibody-based staining) • Anti-idiotype antibody • Anti-payload antibody • IgG antibody (Isotype Control) • Universal antibody • Flow cytometry antibody • Relevant customized development solutions
Analytical assay kits 	Applicable in testing solutions throughout the drug development lifecycle.	• ELISA kit • Quantitative real-time polymerase chain reaction kit, which refers to a technique that amplifies and quantifies nucleic acids in real time during the polymerase chain reaction process • ADC site-specific conjugation kit • TR-FRET kit • ELISpot kit • Fluorescence detection kit • Virus vaccine development kits • Relevant customized development solutions
Others 	*Functional cell lines:* Applicable in gene function studies, disease mechanism research, drug discovery and screening, and drug efficacy evaluation.	*Functional cell lines:* • Reporter cell lines • Overexpression cell lines • Gene knockout cell lines • Relevant customized development solutions
	*Cell culture media:* Applicable to cell biology research, cell therapy research and translational medicine and bioprocess development and optimization, and commercial production of therapeutics including antibody drugs and cell-based therapeutics.	*Cell culture media:* • Serum-free media • Cell-level magnetic beads • Cell culture kits

* *Product pictures are for illustrative purpose only.*

Our biological reagent products, including recombinant proteins, antibodies and analytical assay kits, are generally categorized as standardized products and customized products.

Recombinant proteins

Recombinant proteins are artificially produced proteins created through genetic engineering, using cells programmed with recombinant DNA. Recombinant proteins are essential biological reagents utilized in the R&D, manufacturing and clinical application biopharmaceuticals, cell immunotherapy and diagnostic reagents. In recent years, the emergence of targeted therapy and immunotherapy has significantly improved treatment outcomes for diseases such as cancer, autoimmune disorders and infectious diseases. Antibody drugs and cell immunotherapies, exemplified by CAR-T, play a critical role in targeted therapy and immunotherapies. Their development and production processes demand high-quality recombinant proteins with batch-to-batch consistency.

Leveraging our proprietary biotechnologies, we have developed numerous recombinant proteins covering diverse disease targets and biomarkers, meeting the needs of all stages in biologics research and production. In addition, we have a GMP-grade manufacturing facility with a corresponding quality management system. As of the Latest Practicable Date, we had successfully developed 65 GMP-grade recombinant proteins products. The average shelf life of our recombinant proteins is generally five years.

Antibodies

Antibodies are protective proteins produced by the body in response to antigen stimulation, playing a crucial role in drug development, biological research experiments, diagnostic reagent development and disease treatment.

We have successfully developed a series of antibody products, including GMP-grade G4S (a synthetic peptide linker sequence) antibodies, anti-FMC63 monoclonal antibodies, anti-MMAE (Monomethyl Auristatin E, a cytotoxin that inhibits cell division, conjugated to antibodies for targeted cancer therapy) monoclonal antibodies, anti-DM1 monoclonal antibodies, as well as cytokine antibody pairs such as IFNγ (a cytokine that modulates immune responses and defends against viral and bacterial infections) and anti-His-tag monoclonal antibodies. The average shelf life of our antibodies is generally five years.

Analytical assay kits

We have developed a comprehensive range of analytical assay kits to address the requirements of various stages in the biopharmaceutical development process, including production quality control, preclinical studies and clinical trials. Our analytical assay kits include residual host cell DNA detection kits, nuclease residue detection kits, cytokine detection kits and inhibitor screening kits, providing reliable and efficient detection methods for drug development. The average shelf life of our analytical assay kits is generally one year.

Others

Our other products primarily include functional cell lines and cell culture media. Functional cell lines are continuously dividing cellular populations established from normal or diseased tissues that maintain consistent characteristics through multiple generations, playing a crucial role in gene function studies, disease mechanism research, drug discovery and screening and drug efficacy evaluation. We offer a series of functional cell lines, such as reporter functional cell lines, overexpression cell lines and gene knockout cell lines, together with cell line customization and commercial licensing support.

Cell culture media provides essential experimental systems for studying cellular physiology, molecular mechanisms, drug responses and bioprocess development. We have successfully developed a series of cell culture media, including serum-free cell culture medium and cell-level magnetic beads.

The average shelf life of our functional cell lines and cell culture media is generally less than five years, respectively.

Our Technical Services

In addition to providing biological reagents, we leverage our R&D capabilities and technical expertise to provide a range of technical services for our customers. Our technical services primarily encompass the development and optimization of molecular interaction analysis methods and the provision of molecular interaction analysis services for biopharmaceuticals, cell immunotherapy and diagnostic reagents throughout the R&D and manufacturing process. We also provide customers with analytical data and experimental reports to support their product development and production activities. All our technical services are customized to meet customers' specific requirements.

We provide molecular interaction analysis services through our Surface Plasmon Resonance (表面等離子共振) and Bio-Layer Interferometry (生物膜干涉技術) platforms, which offer a comprehensive range of testing and analytical solutions for antibody drugs, biosimilars, ADCs, small molecule drugs and other biopharmaceutical products. Our molecular interaction services primarily include drug screening, affinity and kinetic analysis, specificity testing, product consistency evaluation and quality control support. Backed by our extensive protein resources, professional technical team and laboratory, we deliver reliable test results. The commercial rationale for us to offer these services centers on a complementary "product + service" dual-driven model: our extensive portfolio of recombinant protein products attracts customers and supports service delivery, while our testing services enhance customer loyalty and drive cross-selling. We are not required to obtain additional licenses from relevant authorities to provide such services and we plan to continue offering these services in the future.

Our Integrated Customized Solutions

Based on our products portfolio and technical services, we are able to provide integrated customized solutions tailored to customers' specific R&D and manufacturing requirements. Our solutions serve a broad range of application scenarios, including preclinical antibody drug research, CMC process development for CGT, screening and validation of ADC drugs, and drug research on novel targets. Rather than providing individual products or standalone services, we offer coordinated solutions that integrate products, technical services and development support. Depending on customers' specific requirements, we may provide a combination of standardized or customized products, specialized development services, process optimization support and quality validation support. This enables us to support customers throughout different stages of their R&D and manufacturing processes in a more efficient and comprehensive manner.

During the Track Record Period, we provided a number of integrated customized solutions for our customers. For example, to address a customer's needs in cardiovascular drug development and safety evaluation, we provided a comprehensive, end-to-end solution covering cell preparation, differentiation culture and functional assessment. Aligned with the customer's R&D objectives, we systematically integrated culture strategy design, optimization of key processes, and phased quality support, enabling the customer to establish a stable, reproducible and scalable cardiac cell research system and thereby effectively accelerate project progress. For example, to support a customer's efforts in neurological drug research, we delivered an integrated solution spanning cell development, culture workflow setup and downstream assessment. Based on the customer's overall research strategy, we aligned the design of differentiation approaches with optimization of critical culture processes and staged quality support,

helping to establish a robust and reproducible neural cell research platform. This enabled reliable disease mechanism studies and functional assessment of drug candidates, while enhancing research efficiency and data consistency.

Applications of Our Products and Services Across Major Biopharmaceutical Modalities

The global biopharmaceutical industry has evolved to a diversified landscape defined by multiple therapeutic modalities, including (i) mAb, BsAb and multi-specific antibody drugs; (ii) XDCs/ADCs; (iii) cell therapies; and (iv) gene therapies. Each modality follows a distinct technical route across drug discovery, pre-clinical studies, clinical trials and commercial development and correspondingly generates differentiated demand for life science tools such as recombinant proteins, antibodies, functional cell lines, analytical assay kits and analytical services. Our product portfolio is designed to support the R&D processes of these modalities and is capable to be applied across multiple application scenarios throughout their lifecycle.

Modality A — mAb/BsAb/Multi-specific Antibody

Monoclonal antibody development requires our products throughout the full R&D workflow, from target discovery and antibody screening to pre-clinical and clinical studies. Recombinant proteins, antibodies and cells are used to evaluate target interactions and optimize candidate molecules. Analytical assay kits and analytical services support pharmacokinetic, pharmacodynamic and toxicology assessments as candidates advance toward IND. During process development, customers continue to procure proteins, antibodies and analytical assay kits for release testing and batch-to-batch consistency. As a result, this modality has long-cycle and recurrent demand for our tools across multiple scientific stages.

Modality B — XDCs/ADCs

XDCs/ADCs programs require all tools used for monoclonal antibody R&D and additionally rely on our products for toxin screening and linker design. Customers procure analytical assay kits, antibodies and services to assess conjugation efficiency, stability and targeted cytotoxicity. Proteins and analytical kits are used repeatedly for pharmacology, pharmacokinetic and pharmacodynamic studies as the XDCs/ADCs structure is refined. In later stages, quality control and release-method development require continued use of our assay systems and analytical services. The integration of biologics and small-molecule components leads to broad and repeated demand for our portfolio throughout the XDCs/ADCs workflow.

Modality C — Cell Therapies

Cell therapy development generates sustained demand for our products across CAR structure exploration, cell activation, transduction and in-vitro functional verification. Antibodies, proteins, cells and analytical assay kits are routinely used to activate immune cells, deliver genetic payloads and evaluate functional responses, while analytical services and assay kits support pharmacokinetic, pharmacodynamic and safety assessments from pre-clinical to clinical stages. Process development and release testing further rely on proteins, antibodies and test kits to establish robust cell manufacturing consistency, resulting in repeated purchases across research, clinical development and scale-up preparation. In vivo CAR therapies, as a sub-segment within the broader cell-therapy landscape, rely on our products for delivery-vector screening and targeted delivery design. Researchers use our antibodies, proteins, analytical assay kits and services to evaluate in-vivo transduction efficiency, CAR generation, expansion kinetics and persistence, with additional analytical activities required for safety evaluations, including vector-related toxicities and off-target effects. Our tools and services also support the development of release-testing methods as candidates advance into clinical studies.

Modality D — Gene Therapies

Gene therapy programs require our products to support gene sequence design, vector engineering and in-vitro functional verification. Antibodies, proteins, cells and analytical assay kits are used to characterize gene expression, biological function, biodistribution and metabolic profiles. Immunogenicity, vector integration and off-target assessments further increase demand for analytical kits and services during pre-clinical studies. As vectors enter clinical manufacturing, customers continue to use analytical assay kits and antibodies to establish and validate release specifications. Because each development stage involves distinct but recurring analytical activities, this modality drives continuous use of our solutions across the lifecycle.

Although the four modalities require differentiated workflow support, there is substantial overlap in their demand for recombinant proteins, antibodies, cells, analytical assay kits and analytical services. Across each modality, researchers must repeatedly characterize biological targets, assess molecular and cellular activity, evaluate safety and efficacy profiles, and establish assay systems for analytical and release testing. These activities generate recurring needs for high-quality biochemical and cellular tools irrespective of the underlying therapeutic mechanism. Many biopharmaceutical companies operate multiple modalities in parallel. For example, developing monoclonal antibodies while simultaneously advancing XDCs/ADCs and CGTs pipelines, and therefore source research tools across more than one development route at the same time. As a result, multi-modality portfolios amplify product usage breadth and create concurrent procurement requirements across different scientific programs and teams.

The resulting multi-modality demand profile encourages repeated procurement over extended development cycles and strengthens the value of a supplier capable of serving highly diversified R&D scenarios. Because each program progresses through discovery, pre-clinical research, IND-enabling stages (the final, critical preclinical steps required to submit an investigational new drug application, bridging drug discovery and human trials), clinical trials and commercial preparation, customers continue to require analytical kits, recombinant proteins, antibodies, cells and services throughout multiple years of development rather than on a one-off basis. In addition, the need for analytical consistency across clinical batches and lifecycle management leads to continued use of the same assay systems, creating stable long-term purchasing patterns. When a supplier can meet the full spectrum of modality-specific and cross-modality requirements, customers benefit from reduced validation burden, stronger data comparability and simplified supply chain management. Consequently, the depth and breadth of a supplier's portfolio become a strong driver of customer stickiness, repeat business and integration into customers' long-term R&D and development workflows.

RESEARCH AND DEVELOPMENT

We have established a comprehensive R&D framework that combines product-line specialization with coordinated technology sharing across business units. Our senior management team and core R&D leaders have accumulated extensive international and industry experience across fields such as protein engineering, cell engineering, genetic engineering and analytical sciences as well as operational management. As of July 31, 2026, we employed 295 R&D personnel, representing 29.8% of our total workforce, and approximately 60% of such personnel held doctoral or master's degrees.

Our R&D Process

Our R&D process for our major products follows a structured and demand-driven approach that begins with identifying product opportunities based on market trends and customer needs. The product development department conducts market research, examines industry developments and evaluates customer feedback to determine the need for new products or upgrades to existing ones. Once a development need is confirmed, an internal research proposal is established, and the responsible research department is tasked with determining the technical development plan, including the scientific objectives, technical route, feasibility criteria and required timeline.

After the technical plan is formulated, experimental development begins, and the responsible functional teams execute the work according to their roles. For recombinant proteins, the molecular construction team and the stable cell-line team responsible for recombinant proteins design and construct plasmids and prepare stable cell lines for the corresponding development of recombinant proteins in accordance with the approved development plan. For cell-line products, the development department conducts technical research after project initiation, determines the technical route and performs experimental work to obtain monoclonal cell lines. Where additional verification of production feasibility is required, pilot-scale tests may be conducted to generate trace amounts of product for internal testing, such as expression-level evaluation and other analytical assessments. Such materials are not used for commercial sale.

Upon completion of technical verification, qualified candidate products are prepared for industrialization. The quality-control function is involved throughout the process to monitor compliance and traceability. Final products are released to storage and subsequently to customers only after they pass all required quality-control tests.

Our Core Technologies

Our R&D capabilities are underpinned by a suite of proprietary and advanced technologies, which form an integrated ecosystem enabling customized development from initial antigen design to pilot-scale and large-scale manufacturing. As of the Latest Practicable Date, we had 14 core technologies which are the engine driving our innovative products.

Protein-related technologies

Full-length multi-pass membrane protein expression and purification technology

Enables the expression of multi-pass and cytotoxic membrane proteins and provides an efficient and mild purification process that allows the extracted proteins to remain stable under in-vitro conditions. It preserves the native conformation and biological function of membrane proteins as they exist in the natural cell membrane, thereby better supporting downstream studies in cell biology and functional analysis.

Inducible protein expression in mammalian cells

Enables the production of proteins with post-translational modifications, folding characteristics and structural features that more closely resemble those of native human proteins, giving the resulting recombinant proteins advantages in drug-development and manufacturing applications compared with proteins produced in other expression systems. It is compatible with both transient and stable transfection systems and can support high-level expression of cytotoxic proteins. The technology is also suitable for expressing protein targets that are scarce in the market, thereby helping address needs in complex or difficult-to-express protein production.

AI-based protein expression prediction model

Built on protein large-language-model architectures, is designed to extract deep intrinsic information embedded within protein sequences. By integrating experimentally validated training data, applying multi-dimensional feature–extraction strategies and incorporating advanced deep-learning techniques, the system enables rapid and accurate prediction of protein expressibility and solubility from a single sequence input. Compared with other models of the same type, it demonstrates significantly improved predictive accuracy and offers a clear performance advantage.

AI-assisted protein design and engineering technology

Integrates AI-based computational simulation with high-throughput experimental verification to form a coordinated, closed-loop protein design system. By combining advanced AI prediction models with physics-based virtual screening, it enables efficient and accurate screening of large numbers of protein variants. It has produced notable results in improving protein stability, solubility, polarity tolerance, antibody affinity and de novo protein generation.

Single B-cell antibody discovery technology

Enables rapid discovery of high-affinity and high-specificity antibodies by isolating antigen-specific plasma B cells and memory B cells, followed by single-cell amplification and recombinant expression of naturally paired heavy and light chains. This technology directly captures antibodies that have undergone affinity maturation in vivo and has advantages in rare epitope recognition, complex antigen responses and high-performance diagnostic antibody development. It is an important technology for antibody discovery.

Cell-free protein expression technology

Based on an Escherichia coli cell-free expression system, overcoming traditional limitations in expressing and folding eukaryotic proteins or antibodies containing disulfide bonds, and allowing simultaneous in-situ biotin labeling. This technology has been applied in antibody primary screening, screening of AI-engineered proteins, membrane protein expression and toxic protein expression.

Biotin and fluorescent labeling technology

Utilizes a fluorescently labeled protein–tetramer approach that significantly improves labeling sensitivity while reducing non-specific background. Compared with traditional labeling methods, it eliminates the need for secondary antibodies, simplifies experimental steps and enhances reproducibility and stability. It is particularly well suited for flow-cytometry assays used to measure CAR-positive cell populations. This advancement provides a reliable analytical tool for product development and quality-control release in CAR-T, CAR-NK and other immune-cell therapy applications, and has been successfully applied in drug-screening and clinical-diagnostic projects for numerous domestic and international immune-cell therapy customers.

Bioprocess technologies

Advanced therapy process and application development technology

Focuses on cell therapy, gene therapy, antibody and ADC drug development across vector construction and optimization, process scale-up and quality control, functional validation and application development. This technology supports solution development including viral-vector packaging, cell-therapy process optimization, gene-editing efficiency evaluation and in-vitro/in-vivo efficacy assessment, and has been widely applied in CAR-T, TCR-T, stem-cell therapies, gene therapies, antibodies and ADC drugs.

Biomaterials technologies

Chemically defined cell culture medium and feed development

Enables the development of chemically defined, animal-origin–free cell culture media that exclude proteins, plant hydrolysates and other undefined components. These formulations support high-density cell growth and efficient protein expression while ensuring correct protein glycosylation, high bioactivity and stable product quality, thereby reducing the validation burden and regulatory complexity for customers. At the same time, the use of chemically defined components simplifies cell culture processes and lowers overall production costs.

Immuno-magnetic bead technology

Encompasses the preparation of micron-scale and nano-scale magnetic beads, as well as surface-protein and antibody-modification techniques. Building on this foundation, we have developed three major product series: T-cell activation beads, tumor-associated antigen (a molecule expressed on tumor cells, used as a target for cancer immunotherapy)/tumor-specific antigen (a molecule expressed exclusively on tumor cells, serving as a highly specific target for cancer therapy) beads and cell-sorting beads, including high-standard products that meet GMP-grade quality requirements. The performance of these products is comparable to leading international brands, significantly reducing domestic users' reliance on imported reagents and representing an important breakthrough in the localization of key laboratory materials.

Cell engineering technologies

Site-specific gene integration technology

Encompasses the targeted introduction of exogenous homologous sequences into the genome via targeted integration technology, followed by the targeted integration of the exogenous gene into a specific predetermined locus on the genome of host cells through homologous recombination, thereby achieving the targeted modification of a specific gene on the chromosome. The technology overcomes the randomness and contingency associated with non-targeted integration. In stable cell line development projects, it enables the rapid generation of target proteins, and can improve the yield of specific proteins more rapidly compared with non- targeted integration strategies.

Cell engineering and modification technology

Encompasses multiple cell-engineering capabilities, including overexpression cell-line construction, reporter gene cell-line development and gene-editing-based cell-line modification. Building on these techniques, we have developed a broad portfolio of engineered cell lines covering applications such as activity analysis of antibody-dependent cellular cytotoxicity (a mechanism that triggers immune cells to destroy antibody-bound target cells), cell-killing assays, immune-checkpoint interaction studies, cytokine signaling-pathway evaluation and gene-editing validation. As the Latest Practicable Date, the technology had generated nearly 300 engineered cell lines that are widely used in the preclinical development of antibody drugs and cell-therapy products.

Analytical and detection technologies

Immunoassay analytical technology

Centered on flow cytometry technology, this platform encompasses multicolor fluorescent labeling technology, simultaneous detection technology for cell surface and intracellular antigens, as well as multi-factor detection technology in serum and plasma. By optimizing fluorescent dye combinations and antibody conjugation processes, this technology enables precise multi-parameter analysis at the single-cell level. Its sensitivity may be around several to tens of times higher than that of traditional methods such as ELSEA and immunohistochemistry, and it can simultaneously resolve the distribution of immune cell subsets, their functional status, and the dynamic changes of signaling pathways.

Molecular detection and analytical technology

A system of techniques that uses nucleic acids (DNA/RNA) as targets to achieve qualitative and quantitative analysis of target substances through specific recognition and signal amplification, enabling precise interpretation of genetic information. Molecular detection and analysis technology, with

quantitative real-time polymerase chain reaction as a typical example, is deeply integrated into the entire chain of biopharmaceutical R&D and production quality control due to its accuracy, speed, and standardization, such as the detection of residual DNA in host cells and rapid testing for microbial safety.

Our R&D Team and Core Members

The following table sets forth the details of our core R&D leaders:

Core R&D Member	Profile
Mr. Chen Yiding (陳宜頂)	See "Directors and Senior Management — Board of Directors."
Mr. Miao Jingyun (苗景贇)	See "Directors and Senior Management — Board of Directors."
Ms. Sun Yu (孫雨)	Born in 1980, she holds a Ph.D. degree from The University of British Columbia. She served at STEMCELL Technologies from November 2015 to February 2022, at Berkeley Lights from February 2022 to November 2023 and at Ningbo Weiliu Biotechnology Co., Ltd. (寧波微流生物科技有限公司) from May 2024 to November 2024. She currently serves as vice president of early-stage product development at our Company.
Ms. Li Xiaoli (李曉麗)	See "Directors and Senior Management — Senior Management."
Ms. Qin Lili (秦麗麗)	Born in 1990, she holds a Ph.D. in biophysics from the Institute of Biophysics, Chinese Academy of Sciences (中國科學院生物物理研究所). She served at Pharmaron (Beijing) Co., Ltd. (康龍化成(北京)新藥技術股份有限公司) from July 2017 to November 2017. She currently serves as a senior director of R&D at our Company. Her training in biophysics and experience in protein crystallization and R&D management support her effective contribution to our R&D activities.
Ms. Shi Xiaojuan (石曉娟)	Born in 1979, she holds a master's degree in zoology from Nanjing Normal University (南京師範大學). She served at the National Institute of Biological Sciences, Beijing (北京生命科學研究所) from July 2005 to February 2010, at Crown Bioscience (中美冠科生物技術(北京)有限公司) from September 2010 to January 2014, at Beijing ChemPartner (北京珅奧基醫藥科技有限公司) from February 2014 to March 2016 and at Beijing Biocytogen (北京百替生物技術有限公司) from March 2016 to January 2017. She currently serves as a director of cell product R&D at our Company. Her broad experience in cellular analysis and technical project management supports her effective contribution to our R&D work.
Ms. Zhang Xiaohui (張曉慧)	Born in 1986, she holds a master's degree in biochemical engineering from Zhejiang University of Technology (浙江工業大學). She currently serves as an associate director of analytical assay kit development at our Company. Her long-standing experience in protein analysis and assay development provides strong support for our Company's R&D activities in recombinant protein characterization and quality evaluation.

Core R&D Member	Profile
Mr. Ren Wenlin (任文林). .	Born in 1988, he holds a Ph.D. degree in biology from Tsinghua University (清華大學). He served at Abmax Biopharmaceuticals Co., Ltd (北京天成新脈生物技術有限公司) from June 2017 to July 2020 and at Abmax Biotechnology Co., Ltd (京天成生物技術(北京)有限公司) from July 2020 to July 2021. He currently serves as a director of product at our Company.

We retain key management and technical staff with competitive remuneration packages and welfare benefits. We also invest in training programs to upskill our key management and technical staff. The salient terms of agreements with our management and technical staff are set out below.

- ***No Conflict***: During employment, the employee shall not engage in any other job, whether full-time or part-time, or operate a business that competes directly or indirectly with our Company.
- ***Inventions Arrangement***: All intellectual property, including inventions, works and technical information, created by employees during their employment or through the use of our resources, are considered the property of our Company.
- ***Proprietary Information Arrangement***: Upon termination of employment, employees are required to return all our property and any materials, in any form, that contain our proprietary information. Employees are not permitted to retain copies of such materials.
- ***Confidentiality***: Employees are bound by a perpetual duty of confidentiality, which extends beyond their term of employment. They are prohibited from disclosing or using any of our commercial, technical, or management secrets for any purpose outside of their duties, unless such information becomes publicly known through legitimate means.
- ***Non-competition***: For certain key employees, we may enforce a post-termination non-competition period of up to two years.

Our Ongoing R&D Projects

In addition to commercialized products and core technologies, we continue to advance a number of ongoing R&D projects. These projects include upgrades to existing product series, development of new reagents and analytical tools for emerging application scenarios and optimization of production and quality-control processes to support scalable industrialization. During the Track Record Period, we primarily relied on our in-house R&D capabilities to conduct our R&D activities. The following table sets forth some of our ongoing technology R&D projects as of the Latest Practicable Date.

Technology R&D Projects	Description
AI and metabolomics-based serum-free cell culture medium development technology.	This technology combines AI with metabolomics analysis to optimize serum-free culture medium formulations for cell culture. By detecting changes in cellular metabolites through metabolomics, the AI model analyzes the data and predicts the optimal nutrient combination, thereby rapidly screening for serum-free cell culture media that support efficient cell growth and expression of target products. This technology can significantly shorten the cell culture medium development cycle, improve cell culture performance and product consistency, reduce production costs and minimize the risks associated with the use of animal-derived components.

Technology R&D Projects	Description
Nanobody development technology.	Nanobodies are single-domain antibody fragments with a molecular weight approximately one-tenth that of conventional antibodies. Nanobodies have been widely applied in disease diagnosis and drug treatment, with several nanobody drugs already approved and commercialized in the market. The technology shows significant potential in targeted drug delivery, cell therapy (CAR-T/NK cells) and treatment of neurological and infectious diseases.
ADC payload conjugation technology and intracellular endocytosis detection technology for ADC drugs	ADC payload conjugation technology is able to control the drug-antibody ratio, a metric that measures the number of drug molecules attached to each antibody in a conjugate, thereby improving the stability, targeting and killing effect of the ADC while reducing off-target toxicity. Intracellular endocytosis detection technology for ADC drugs can be used to assess the endocytosis efficiency and intracellular transport process after ADC drugs bind to target cells. By tracking the intracellular localization and metabolism of ADCs, drug design can be optimized and its therapeutic mechanism evaluated.

Our R&D Cooperation

During the Track Record Period, we cooperated with biotechnology companies to enhance our R&D capabilities in the fields of biological reagents. For example, we entered into an R&D cooperation in 2024 with a Hong Kong-based biomedical company to jointly develop analytical assay kits. We believe these collaborations will allow us to continuously enhancing and upgrading our existing technologies, while also providing valuable insights into prevailing industry trends and emerging innovations. The salient terms of our typical cooperation agreements are set forth below:

- ***Term.*** The term is generally two to three years. The agreements may be renewed or terminated early upon mutual written consent.
- ***Cooperation scope.*** The parties conduct joint research, technology development, technical services and consulting and global commercial collaboration in the areas specified in the agreements. We generally provide reagents, platforms and global commercial capabilities, while partners contribute technical expertise, research capabilities or specialized know-how.
- ***Intellectual property.*** Background intellectual property remains with the original owner. The ownership of intellectual property arising from the R&D will be determined based on a comprehensive assessment of the specific content of the collaborative R&D, the nature of the collaboration and the respective roles and contributions of each party. Such arrangements will be stipulated in the cooperation agreement and may include joint ownership, ownership by us or ownership by the collaborating party.
- ***Confidentiality.*** All non-public technical and commercial information exchanged under the agreements is subject to ongoing confidentiality obligations, surviving termination until the information becomes publicly available.
- ***Preferential cooperation.*** The parties agree to prioritize each other for future cooperation.

OUR PRODUCTION AND FACILITIES

Overview

We emphasize strict quality standards and regulatory compliance, and especially, our manufacturing facilities and processes in Suzhou are designed, operated and maintained in accordance with GMP requirements. Our production capacity is structured to accommodate both scale and flexibility, supported by automated production lines and a modular facility design that allow us to adjust schedules to meet market demand efficiently.

Production Facilities

The following table sets forth detailed information relating to our two production facilities located in Beijing and Suzhou as of the Latest Practicable Date:

Facility	GFA (sq.m.)	Year of Commencement of Operation	Primary Functions	Key Features
Beijing Factory . . .	16,188	2017	• Manufactures recombinant proteins, analytical assay kits, antibodies, functional cell lines and media, and conducts scientific and analytical service activities. • Supports pilot-scale and commercial-scale production, technology validation and process execution across multiple product categories.	• Designs, operates and maintains in accordance with ISO requirements. • Certified under ISO 9001:2015 and ISO 13485:2016. • Incorporates standardized production workflows and quality management systems to ensure consistency, compliance and traceability.
Suzhou Factory (Phase I and II[(1)]) .	50,102	2024/2026	• Functions as a high-quality and flexible manufacturing base for bioreagents and related materials, supporting resilient supply chain operations. • Responsible for technology transfer from R&D, cell banking, manufacturing, quality release and product delivery, and receiving customer audits. • Manufactures the products based on customers' customized need, including GMP-grade products, such as cytokines, magnetic beads, original nuclear stock solution and cell bank vials.	• Built to international standards with quality management systems aligned with ISO, GMP, MDSAP and Rx-360 requirements. • Equipped with flexible and efficient production capacity and robust supply chain management processes. • Designed to support multi-product manufacturing with scalable systems for rapid adjustment to customer demand.

Note:

(1) We commenced the construction of Suzhou Factory (Phase II) in 2025 using our own funds, which serves as our dedicated site to address increasing customer demand for GMP-grade products and respond to customized and specific customer requirements. In June, July and August 2026, Suzhou Factory (Phase II) completed the relevant completion acceptance procedures and obtained the requisite fire safety acceptance filing certificate for construction works and environmental protection acceptance opinion upon project completion, respectively. As advised by our PRC Legal Adviser, completion of such procedures and obtaining such certificates were prerequisites for the commencement of operations. In August 2026, the Suzhou Factory (Phase II) commenced operation. The Suzhou Factory (Phase II) is expected to bring annual production capacity for 250–1,250L of original nuclear stock solution and 30,000 cell bank vials.

In July 2024 and August 2026, our GMP-grade Suzhou Factory (Phase I and II) commenced production, respectively. The facility is equipped with advanced process control systems and a comprehensive GMP-compliant quality management framework, enabling stringent prevention and control of exogenous contaminants, including viruses, mycoplasma, bacteria and endotoxins, across the

entire production cycle from raw materials to finished products. As our Suzhou Factory (Phase I and II) is designed to supply GMP-grade products, such as cytokines, magnetic beads, original nuclear stock solution and cell bank vials, which shall meet applicable regulatory requirements as they are primarily used to support the clinical trials and commercial manufacturing needs of immune cell therapy products. Our Beijing facility primarily manufactures recombinant proteins, antibodies and analytical assay kits, which are used for the R&D as well as production of biopharmaceuticals, cellular immunotherapy products and diagnostic reagents. According to Frost & Sullivan, as these products are not directly applied in clinical therapy or diagnosis, they are not subject to GMP standards. Accordingly, our Beijing Factory not being a GMP-grade manufacturing does not impose any restrictions on our business.

Production Machinery and Equipment

The manufacturing of our products, such as recombinant proteins and antibodies, primarily involves the use of vessels used to carry out a biological reaction, chromatography purification systems, filling lines and lyophilizers. All the machinery and equipment for production are owned by us. Our in-house technical and engineering staff upgrade and reconfigure the purchased equipment from time to time to meet our specific production requirements. Our repair and maintenance team works with our equipment suppliers and their aftersales personnel to repair and maintain our machinery and equipment on a regular basis to ensure good working condition, and will replace or upgrade such machinery and equipment from time to time as more advanced technologies become available. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material production disruption due to unexpected failure of production flows or equipment.

Production Process

Our production process is a highly controlled, multi-stage operation managed by our production team. We have implemented information systems, to ensure data integrity, authenticity and full traceability from raw materials to finished products. Key production processes are subject to continuous oversight, including real-time camera surveillance and supervision by our quality assurance personnel, to ensure strict adherence to our standard operating procedures. Furthermore, we employ a proactive quality control strategy by setting pre-defined warning and action limits for critical quality attributes, allowing for continuous monitoring and control over product quality throughout the manufacturing cycle.

Recombinant Proteins and Antibodies

The manufacturing workflow for recombinant proteins and antibodies generally follows a standardized sequence of highly controlled operations. The process begins with the acquisition of target genes, the construction and amplification of plasmids, followed by cell transfection and large-scale cell culture. Upon completion of the cell culture, the harvest undergoes clarification, and the clarified material is subjected to downstream purification. The purified bulk substance is then filled and stored as bulk solution. The bulk solution is then thawed and formulated into semi-finished product followed by subsequent steps including sterile filling, lyophilization, stoppering and capping, as well as inspection before final packaging of the finished product.

Analytical Assay Kits

Analytical assay kit manufacturing involves raw material preparation, component assembly, formulation and packaging under controlled environmental conditions. Each kit component is prepared and inspected according to predefined specifications, and assembled into final kit formats through standardized procedures. Finished kits undergo functional testing, stability assessment and quality verification before being released for distribution.

Production Capacity, Volume and Utilization Rate

When designing and operating our in-house production facilities, we normally consider not only our historical and current business volume, but also our estimates in the future development of the biological reagents industry, as well as our planned production capacity to accommodate our expected business growth. The following table sets forth the designed production capacities, actual production volume and utilization rates of Beijing Factory for the major products for the periods indicated:

	For the Year Ended December 31,			For the seven months ended July 31,
	2023	2024	2025	2026
Recombinant proteins and antibodies[1]:				
Production capacity[2] (L)	13,375	13,659	14,693	11,139
Production volume (L)	11,138	12,446	13,983	11,227
Utilization rate[3] (%)	83.3	91.1	95.2	100.8
Analytical assay kits:				
Production capacity [2] (unit)	24,000	24,000	54,000[4]	45,500
Production volume (unit)	14,856	22,343	34,443	19,836
Utilization rate [3] (%)	61.9	93.1	63.8	43.6

Notes:

(1) Recombinant proteins and antibodies are combined into a single category for the calculations of the relevant production capacity, production volume and utilization rate since both products share the same production equipment and facilities, as well as the similar production process flow.

(2) Production capacity is calculated as the number of reactors in use in each year/period during the Track Record Period multiplied by the average working volume per reactor and further multiplied by the estimated number of uses. The fluctuation in production capacity in each year/period during the Track Record Period was mainly due to the changes in the number of reactors in use for the relevant year/period.

(3) Utilization rate is calculated by dividing the actual production volume by production capacity for the relevant year/period.

(4) The significant increase in production capacity in 2025 was attributable to the operation of our new production lines.

The production utilization rate of recombinant protein and antibodies of Beijing Factory increased continuously from 83.3% in 2023 to 91.1% in 2024 and further increased to 95.2% in 2025 and 100.8% in the seven months ended July 31, 2026 primarily because we received increased customer orders for our products. The utilization rate of analytical assay kits of Beijing Factory decreased from 93.1% in 2024 to 63.8% in 2025, and further decreased to 43.6% in the seven months ended July 31, 2026, primarily due to the operation of our new production lines. Nevertheless, the production volume of analytical assay kits of our Beijing Factory continuously increased during the Track Record Period.

Considering our manufacturing model of our Suzhou Factory (Phase I), the production volumes are driven by customer-specific products schedules. While the same production line can only produce one product per production lot, the product manufactured may vary from lot to lot. Therefore, it is not feasible to measure production capacity and production volume on a product-specific output basis, whereas a lot-based approach is appropriate. The following table sets forth the estimated production capacities, actual production volume and utilization rates of our Suzhou Factory (Phase I) for the periods indicated:

	For the Year Ended December 31,			For the seven months ended July 31,
	2023	2024	2025	2026
Production capacity [(1)] (lot)	—	24	48	54
Production volume (lot)	—	11	43	37
Utilization rate [(2)] (%)	—	45.8	89.6	68.5

Notes:

(1) Production capacity is primarily determined by dividing the operating time of our production line by its average production cycle per lot during the relevant year/period. Our Suzhou Factory (Phase I and II) commenced operation in July 2024 and August 2026, respectively. The production capacity increased from 48 lots in 2025 to 54 lots in the seven months ended July 31, 2026, primarily driven by the increased production capacity of our production line in line with customer demand.

(2) Utilization rate is calculated by dividing the actual production volume by the production capacity for the relevant year/period.

The production volume of our Suzhou Factory (Phase I) was nil, 11 lots, 43 lots and 37 lots in 2023, 2024, 2025 and the seven months ended July 31, 2026, respectively. Such increase was primarily because (i) we received increased customer orders for our GMP-grade products; and (ii) an increased number of production lots to support our expanding SKUs of our product offering. Our GMP-grade products are high-grade biological materials manufactured in a GMP-compliant clean environment in accordance with a complete quality management system. The entire process from raw material procurement, production, quality control to finished product release is controlled. Safety indicators including sterility, endotoxin, mycoplasma and viruses meet required standards. According to Frost & Sullivan, with a quality level higher than research-use-only grade and approaching that of pharmaceutical raw materials, our GMP-grade products are specifically used for clinical manufacturing of cell and gene therapy products.

Production Management and Personnel

Substantially all of our products and services are manufactured at our self-operated facilities, and we do not outsource any part of our core manufacturing processes. We also engage a small number of CDMOs to manufacture certain biological reagents from time to time. These outsourced products primarily consist of non-core items or products that involve specialized manufacturing steps, or packaging processes that require dedicated equipment or regulatory certifications not central to our own production infrastructure, including various GMP-grade recombinant cytokines, functional protein fragments, as well as phenol red-free GMP-grade media for the expansion of stem cells and immune cells. Such specialized manufacturing involves the aseptic filling of products in controlled clean conditions and, where applicable, lyophilization to maintain product stability. Throughout the manufacturing process, air cleanliness and hygienic conditions are subject to routine monitoring. These operations are supported by dedicated, qualified and quality-verified equipment for vial cleaning and sterilization, precise filling and stoppering, freeze-drying (as required), as well as subsequent sealing,

labeling and storage of finished products. All processes are conducted in controlled cleanroom environments in compliance with applicable regulatory standards. Engaging CDMOs for these specific processes allows us to ensure product quality and consistency while avoiding disproportionate capital investment in niche or low-volume production capabilities. This arrangement enables us to allocate internal resources to our core recombinant protein, antibody and cell-related manufacturing operations, while leveraging qualified external partners to handle specialized or ancillary workflows in a more efficient and cost-effective manner.

There are significant differences in R&D and production cycles between customized and standardized biological reagent products. For standardized products, we adopt well-established R&D and production processes, characterized by stable workflows and a high degree of standardization. This enables routine mass production, shorter lead times and swift order fulfillment. In contrast, customized products require tailored R&D design and bespoke process development based on customers' differentiated requirements. The overall R&D and production cycle for customized products is longer, and, for example, the average turnaround time for customized recombinant proteins generally ranges from three to six weeks in accordance with our internal standard business flow. Prior to initiating customized R&D and production, customers generally specify the key customization parameters in advance. For example, for customized recombinant protein products, the core customizable elements mainly include critical quality indicators such as endotoxin level and buffer concentration, as well as personalized packaging and dispensing specifications. These customized parameters necessitate targeted adjustments to R&D plans, optimization of production processes, and differentiated quality control measures to meet customers' specific technical and delivery requirements.

In each period during the Track Record Period, revenue derived from such outsourced products accounted for approximately 1% of our total revenue, respectively, and was not material to our overall operations. All third-party manufacturers are selected and monitored through our supplier qualification and quality management procedures, and they are required to comply with our product specifications and quality standards, including batch inspection and review of certificates of analysis. Given the limited scale and immaterial contribution of outsourced products, we are not dependent on any external manufacturer, and outsourcing does not form a core component of our production model.

As of July 31, 2026, our production department was comprised of 258 employees. We require our relevant personnel to undergo pre-employment and annual training on GMP, operating procedures and safety. We have an internal certification system to ensure that only qualified and authorized personnel can perform critical tasks.

SALES AND MARKETING

We had offered our products and services to nearly 80 countries and regions worldwide and collaborated with over 12,000 end customers as of July 31, 2026. Given the international nature of our operations, we adopt a localized sales management strategy to ensure precise market positioning and effective customer engagement across different regions. To deepen our understanding of local market dynamics and tailor our marketing approach accordingly, we have appointed regional leaders in major markets including China, the United States, Europe and the Asia-Pacific region. These regional heads are responsible for coordinating local sales activities, refining customer-development strategies and providing real-time feedback on market demand, competitive trends and regulatory developments. As of July 31, 2026, we had 233 sales and marketing staff globally.

Our Sales Model

We primarily rely on direct sales, under which we sell our products directly to end-customers such as biopharmaceutical companies, research institutions and government organizations, enabling us to maintain close customer relationships and provide timely technical support. In addition, we also sell through a distribution model, under which distributors purchase our products for resale to downstream

customers within their respective regions or customer segments. Under our distributor model, distributors are also our direct customers. This model complements our direct sales efforts by broadening our market reach. See "— Third-party Distribution."

Pricing

We generally price our products and services by taking into consideration various factors, including cost of sales, market demand, as well as the prevailing market prices of similar products and services. When referencing the market comparable products and services, we primarily evaluate specifications and price parameters, determining comparability based on factors such as molecules, expression ranges, species and labeling information. During the Track Record Period, our catalog prices for the same products and services did not undergo significant changes.

Our products are generally divided into standardized products and customized products, with differentiated sales and pricing models. Standardized products are mainly sold through market-based transactions with customers placing orders on demand with high order frequency. By contrast, customized products are delivered based on dedicated technical solution communication, with delivery specifications agreed in accordance with customers' personalized technical requirements. In terms of pricing, the prices of customized products are reasonably determined based on the prices of comparable standardized products, taking into account factors including customer purchase volume, technical complexity and special quality requirements. The pricing of standardized products is determined on the basis of official list prices, with final transaction prices adjusted comprehensively by reference to customer procurement scale, partnership relationship and market competition conditions.

We may offer customers price discounts based on customer types, product categories, catalog prices and their actual purchasing patterns. During the Track Record Period, other than price discounts, we did not offer additional sales rebates or other discount policies to our customers. We have a broad range of product offerings and their specifications and customized requirements differ significantly. As such, the unit prices of our products also vary widely.

Customer Services, Warranty and Product Replacement/Return Policy

We are subject to contractual obligations to ensure that the quality and specifications of our products and services meet our customers' standards and requirements. Customers may request product returns due to (i) product quality issues, or (ii) non-product quality issues, such as customer ordering errors, order cancellations or transportation related issues. Returns arising from product quality issues within the warranty period are subject to strict segregation and control, with investigations led by the quality assurance department to identify root causes and assess potential batch-related risks. Such products will not be resold prior to completion of the investigation and risk assessment, and will ultimately be released as qualified products or disposed of as non-conforming products, based on the investigation outcome. Returns arising from customer ordering errors, duplicate orders or other reasons that do not affect product quality may, upon completion of the necessary review and visual inspection and confirmation that traceability, storage and transportation conditions meet requirements, be reclassified as qualified products and returned to inventory for resale. Where product quality status cannot be confirmed, such products will be treated as non-conforming products to ensure product safety and regulatory compliance. According to Frost & Sullivan, our product return policy is generally in line with industry practice. In addition, we have established dedicated channels for customer complaints, through which our quality department and technical support department promptly investigate and record customer feedback.

For recombinant protein, antibody products and other biological reagents products, the overall shelf life is determined based on stability data, and we commit to providing customers with a minimum remaining shelf life upon delivery in accordance with the requirements set out in the certificate of

analysis, a formal document from a manufacturer or lab confirming a product meets specific quality, safety and regulatory standards through testing, detailing its composition, characteristics and test results against set specifications.

During the Track Record Period, the amount of product returns represented less than 0.5% of our total revenue. We provide customer services in accordance with the sales agreements we entered into with our customers and our internal policies. As part of our customer services, we visit our customers periodically to seek their feedback on our products. In response to the feedbacks we receive, our sales teams seek to improve the relevant products and services to enhance customer satisfaction.

Our Customers

Our end customers primarily consist of biopharmaceutical companies, research institutions and government organizations. In each period during the Track Record Period, the revenue generated from our five largest customers amounted to RMB114.1 million, RMB141.5 million, RMB180.3 million and RMB135.7 million, respectively, accounting for 21.0%, 21.9%, 21.5% and 22.4% of our total revenue in the respective period. In each period during the Track Record Period, the revenue generated from our largest customer amounted to RMB63.7 million, RMB74.2 million, RMB95.0 million and RMB71.3 million, respectively, accounting for 11.7%, 11.5%, 11.3% and 11.8% of our total revenue in the respective period. The main payment methods of the five largest customers in each period during the Track Record Period were wire transfer. During the Track Record Period, all of our five largest customers were Independent Third Parties, and none of our Directors, their respective close associates, or any Shareholder who, to the knowledge of our Directors, owns more than 5% of our issued capital, had any interest in these customers during the Track Record Period and up to the Latest Practicable Date.

The following tables provide details of our five largest customers in terms of revenue contribution in each year/period during the Track Record Period.

For the year ended December 31, 2023

Customer	Background	Types of Service/Product Provided	Year of Commencement of Business Relationship	Typical Credit Term	Amount of Revenue	As Percentage of Our Total Revenue
				Days	*RMB'000*	
Customer A	A public company established in the United States and listed on New York Stock Exchange, with annual revenue over US$40 billion since 2022, primarily providing instruments, reagents and consumables	Recombinant proteins, antibodies, analytical assay kits and related products	2013	75	63,714	11.7%
Customer B	A company established in the United States, with business operations in around 30 countries and regions, primarily providing laboratory products and services	Recombinant proteins, antibodies, analytical assay kits and related products	2014	60	21,355	3.9%
Customer C	A public company located in Jiangsu Province, China and listed on the Shanghai Stock Exchange and Hong Kong Stock Exchange, primarily providing CRDMO (Contract R&D and Manufacturing Organization) services	Recombinant proteins, antibodies, analytical assay kits, testing services and related products	2014	60	13,622	2.5%

Customer	Background	Types of Service/Product Provided	Year of Commencement of Business Relationship	Typical Credit Term	Amount of Revenue	As Percentage of Our Total Revenue
				Days	*RMB'000*	
Customer D	A company established in South Korea, primarily specializing in the sales, importation and distribution of reagents	Recombinant proteins, antibodies, analytical assay kits and related products	2013	45	8,372	1.5%
Customer E	A company established in the United States, primarily providing therapeutic solutions across diverse therapeutic areas	Recombinant proteins, antibodies and related products	2016	30	7,032	1.4%
Total					**114,095**	**21.0%**

For the year ended December 31, 2024

Customer	Background	Types of Service/Product Provided	Year of Commencement of Business Relationship	Typical Credit Term	Amount of Revenue	As Percentage of Our Total Revenue
				Days	*RMB'000*	
Customer A	A public company established in the United States and listed on New York Stock Exchange, with annual revenue over US$40 billion since 2022, primarily providing instruments, reagents and consumables	Recombinant proteins, antibodies, analytical assay kits and related products	2013	75	74,150	11.5%
Customer B	A company established in the United States, with business operations in around 30 countries and regions, primarily providing laboratory products and services	Recombinant proteins, antibodies, analytical assay kits and related products	2014	60	26,240	4.1%
Customer C	A public company located in Jiangsu Province, China and listed on the Shanghai Stock Exchange and Hong Kong Stock Exchange, primarily providing CRDMO (Contract R&D and Manufacturing Organization) services	Recombinant proteins, antibodies, analytical assay kits and related products	2014	60	20,204	3.1%
Customer D	A company established in South Korea, primarily specializing in the sales, importation and distribution of reagents	Recombinant proteins, antibodies, analytical assay kits, testing services and related products	2013	Payment due by the end of the following month upon receipt of invoice	11,969	1.9%

Customer	Background	Types of Service/Product Provided	Year of Commencement of Business Relationship	Typical Credit Term	Amount of Revenue	As Percentage of Our Total Revenue
				Days	*RMB'000*	
Customer F	A company established in the United States, with commercial activities in over 100 countries and regions, primarily engaging in the development of innovative drugs across oncology, immunology and neuroscience	Recombinant proteins and related products	2016	90	8,892	1.3%
Total					**141,455**	**21.9%**

For the year ended December 31, 2025

Customer	Background	Types of Service/Product Provided	Year of Commencement of Business Relationship	Typical Credit Term	Amount of Revenue	As Percentage of Our Total Revenue
				Days	*RMB'000*	
Customer A	A public company established in the United States and listed on New York Stock Exchange, with annual revenue over US$40 billion since 2022, primarily providing instruments, reagents and consumables	Recombinant proteins, antibodies, analytical assay kits and related products	2013	75	94,969	11.3%
Customer B	A company established in the United States, with business operations in around 30 countries and regions, primarily providing laboratory products and services	Recombinant proteins, antibodies, analytical assay kits and related products	2014	60	30,574	3.6%
Customer C	A public company located in Jiangsu Province, China and listed on the Shanghai Stock Exchange and Hong Kong Stock Exchange, primarily providing CRDMO (Contract R&D and Manufacturing Organization) services	Recombinant proteins, antibodies, analytical assay kits, testing services and related products	2014	60	27,962	3.3%
Customer D	A company established in South Korea, primarily specializing in the sales, importation and distribution of reagents	Recombinant proteins, antibodies, analytical assay kits, testing services and related products	2013	Payment due by the end of the following month upon receipt of invoice	16,010	1.9%
Customer G	A public company established in the United States and listed on NASDAQ, with market capitalization of over USD200 million, primarily providing allogeneic cell therapy	Recombinant proteins, antibodies and related products	2021	30	10,834	1.4%
Total					**180,349**	**21.5%**

For the seven months ended July 31, 2026

Customer	Background	Types of Service/Product Provided	Year of Commencement of Business Relationship	Typical Credit Term	Amount of Revenue	As Percentage of Our Total Revenue
				Days	*RMB'000*	
Customer A	A public company established in the United States and listed on New York Stock Exchange, with annual revenue over US$40 billion since 2022, primarily providing instruments, reagents and consumables	Recombinant proteins, antibodies, analytical assay kits and related products	2013	75	71,262	11.8%
Customer C	A public company located in Jiangsu Province, China and listed on the Shanghai Stock Exchange and Hong Kong Stock Exchange, primarily providing CRDMO (Contract R&D and Manufacturing Organization) services	Recombinant proteins, antibodies, analytical assay kits, testing services and related products	2014	60	25,396	4.2%
Customer B	A company established in the United States, with business operations in around 30 countries and regions, primarily providing laboratory products and services	Recombinant proteins, antibodies, analytical assay kits and related products	2014	60	21,092	3.5%
Customer D	A company established in South Korea, primarily specializing in the sales, importation and distribution of reagents	Recombinant proteins, antibodies, analytical assay kits and related products	2013	Payment due by the end of the following month upon receipt of invoice	9,973	1.6%
Customer H	A public company established in the Cayman Islands and listed on the Hong Kong Stock Exchange, primarily engaged in the provision of life science research products and services, biologics development services, and industrial synthetic biology products	Recombinant proteins, antibodies, analytical assay kits and related products	2015	90	7,936	1.3%
Total					**135,659**	**22.4%**

During the Track Record Period, to the best of our knowledge, none of our major customers during each year/period of the Track Record Period was a supplier of ours and vice versa.

During the Track Record Period, the number of our customers increased robustly. In 2023, 2024, 2025 and the seven months ended July 31, 2026, the number of our customers that placed orders was 4,289, 4,858, 5,632 and 4,925, respectively, with our customer retention rate standing at 62.3%, 59.5%, 60.7% and 55.7%, respectively. The following table sets forth the number of our customers by end customer category during the Track Record Period:

	For the year ended December 31,			For the seven months ended July 31,
	2023	2024	2025	2026
Biopharmaceutical and biotechnology companies	3,126	3,548	4,215	3,640
Research institutions	1,162	1,309	1,415	1,284
Government organizations	1	1	2	1
Total	**4,289**	**4,858**	**5,632**	**4,925**

The following table sets forth the number of our customers and customer value by business line during the Track Record Period:

	For the year ended December 31,						For the seven months ended July 31,	
	2023		2024		2025		2026	
	Customer number	Revenue contribution per customer	Customer number	Revenue contribution per customer	Customer number	Revenue contribution per customer	Customer number	Revenue contribution per customer
		(RMB in thousand)		*(RMB in thousand)*		*(RMB in thousand)*		*(RMB in thousand)*
Recombinant proteins	3,293	138.6	3,697	144.9	4,135	164.2	3,494	139.2
Antibodies	908	31.2	1,067	30.6	1,259	31.1	1,006	27.0
Analytical assay kits	516	36.9	777	28.8	1,264	29.4	1,013	30.0
Technical Services	223	69.5	222	78.6	218	78.3	243	72.1

Note:

(1) As certain customers purchase multiple types of products and services, the total number of customers as summed in the table may exceed our actual number of customers.

Sales Agreements for Products

For certain key customers, we enter into framework agreements under which separate sales orders are subsequently placed. For other customers, we sell directly through standalone sales orders. We do not impose any minimum purchase requirements on our customers.

The salient terms of the sales framework agreements are set forth below:

- *Pricing*: Prices of our products are determined based on the required product specifications, purchase volume, market price of similar products, among others. The framework agreements typically contain different types of the products to be purchased and their corresponding prices during the terms of the agreements.
- *Tiered pricing*: typically follows a tiered discount arrangement whereby the applicable discount corresponds to the customer's aggregate purchase amount.

- *Delivery arrangements*: We usually make transportation arrangements to deliver our products to places designated by our customers. We typically bear the costs and risks associated with the delivery prior to the acceptance of the products by our customers.
- *Credit term and payment method*: We are usually paid by way of wire transfer within 30 to 90 days after issuance of invoice.
- *Inspection*: When our products are delivered to the customer's designated locations, it shall inspect the products, including quantity and quality, within a specified period of time. If the customer does not raise any objection within such period, we will be deemed to have made satisfactory delivery of our products based on the sales agreements, provided that this shall not constitute confirmation of the quality of our products. If the customer raises quality issues within the period agreed in the agreement, we will provide free replacement or refund within a specified period. Certain agreements may specify a warranty period for the products, which varies by product type. During the warranty period, if our products fail to function properly due to quality defects, we will provide free replacement or repair and bear the related costs. The warranty period shall restart upon completion of replacement or repair.
- *Term and termination*: The term of the framework agreements is generally one year.

THIRD-PARTY DISTRIBUTION

Overview

We primarily sell our products through our in-house sales teams. However, in line with industry practice, we also sell certain of our products to third-party distributors, who in turn sell these products to their customers. According to Frost & Sullivan, it is an industry norm for the companies in the industry in which we operate to engage third-party distributors to sell products. We normally classify as distributors those customers that (i) enter into distribution agreements with us; or (ii) maintain long-term business relationship and recurring transactions with us.

The following table sets forth the movement of distributors for the periods indicated.

	For the year ended December 31,			For the seven months ended July 31,
	2023	2024	2025	2026
Number at the beginning of the period	37	41	51	54
Increase [(1)]	5	12	6	3
Decrease [(2)]	1	2	3	7
Number at the end of the period:	**41**	**51**	**54**	**50**

Notes:

* For the purpose of calculation, only the distributors with whom we incurred transaction amount were counted for the periods/as of the dates indicated.

(1) The increase in the number of distributors represented the number of the distributors to which we newly granted distribution authorization during the period.

(2) The decrease in the number of distributors represented the number of existing distributors with which we did not renew the authorization as of the end of the period.

We have distributor networks in China and overseas market. The following table sets forth the breakdown by major geographical base of our distributors as of the dates indicated:

	As of December 31,			As of July 31,
	2023	2024	2025	2026
Chinese Mainland	12	15	16	13
Americas	8	9	8	9
Europe	13	19	20	18
Other countries/regions[(1)]	8	8	10	10
Total	**41**	**51**	**54**	**50**

Note:

(1) Other countries/regions mainly included South Korea, Taiwan of China, Japan and India.

As of December 31, 2023, 2024, 2025 and July 31, 2026, we had 41, 51, 54 and 50 distributors, respectively. The increase in the number of distributors during the Track Record Period was primarily attributable to our business expansion. The sales to our distributors generated RMB139.5 million, RMB163.8 million, RMB207.8 million and RMB150.4 million, which accounted for 25.7%, 25.4%, 24.8% and 24.8% of our total revenue in 2023, 2024, 2025 and the seven months ended July 31, 2026, respectively. Revenue from sales to distributors is recognized at the point in time when control of the products is transferred to the distributors or the places designated by the distributors, provided that the distributors obtain the ability to direct the use of, and obtain substantially all of the remaining benefits from, the products, and collectability of the consideration is probable. Our distributors are entitled to receive rebates subject to their purchasing performance. For example, if a distributor's annual procurement volume from us exceeded the contracted quota but was less than 150% thereof, we shall grant a rebate equal to 1% of its total procurement amount, and if such annual procurement volume reached twice the contracted quota, we shall grant a rebate equal to 2% of its total procurement amount. During the Track Record Period, none of our distributors achieved the contracted purchase quotas, and accordingly no rebates were granted to them. During the Track Record Period, we had not experienced any material request for product refund from our distributors. In 2023, 2024, 2025, the seven months ended July 31, 2026 and the period since August 1, 2026 to the Latest Practicable Date, the amount of product returns from our distributors were RMB0.2 million, RMB0.4 million, RMB0.6 million, RMB0.5 million and RMB0.1 million, respectively. During the Track Record Period, the total amount of product returns from our distributors represented 0.2% of total revenue from our distributors. According to Frost & Sullivan, our product return rate in terms of the amount of product return as the percentage of the revenue from distributors were consistent with the industry average.

Selection and Management of Distribution

When selecting our potential distributors, we primarily consider whether such distributors have (i) advantages in the sales and marketing of products and services in the relevant regions; (ii) qualified sales personnel and customer support staff; and (iii) sufficient warehouse capacity to temporarily store the products, if needed. Our distributors are mainly managed by our sales department. We have implemented internal requirements for the management of the distributors, pursuant to which, among others, (i) our distributors shall complete all of the required anti-corruption trainings and abide by the commercial commitments they made pursuant to our anti-corruption and ethics policies; (ii) our distributors shall confirm if they have any business relationship or competition with any of our subsidiaries; and (iii) we conduct annual performance reviews of the distributors to determine whether their distributorships shall be renewed or terminated. During the Track Record Period and up to the Latest Practicable Date, all of our distributors were Independent Third Parties. We evaluate distributor independence before engaging new distributors.

We adopt the following strategies to prevent cannibalization of sales among our distributors: (i) we set out the range of the end customers and regions for which each distributor is authorized to sell our products and services under the relevant distribution agreements; (ii) we collect the relevant information of the performance and end customers of the distributors on a regular basis to confirm, among others, whether the distributors sold our products and services within their authorized range of regions and end customers; and (iii) if any distributor is found to sell our products and services in other distributors' authorized regions without our permission, we may immediately terminate its authorization.

Distributor Inventory Management and Control

Our distributors generally do not keep inventories for our products. By implementing the following policies, we believe we are able to ensure that our sales to distributors reflect genuine market demand for our products and services and prevent channel-stuffing of our products: (i) the amount of products we deliver to the distributors typically follow the requested amount of the end customers; and (ii) we require the distributors to update us the information of the actual needs of the end customers. During the Track Record Period, we did not require our distributors to maintain a minimum inventory level and thus we had no visibility into the volume of unsold inventories held by our distributors.

We do not prohibit our distributors from engaging sub-distributors to assist them in the marketing and sale of our products, nor do we require our distributors to notify us if they engage sub-distributors. We do not directly manage sub-distributors, if any. Accordingly, we have no visibility regarding the number of our distributors that have engaged sub-distributors or the overall scale of such sub-distribution network. Where our distributors engage sub-distributors, we rely on such distributors to manage and supervise the sub-distributors engaged by them. According to Frost & Sullivan, this approach is consistent with common industry practices. Nevertheless, in the event that we identify any non-compliant acts or improper conduct by sub-distributors, we will notify the corresponding distributors and require them to compel the relevant sub-distributors to implement rectification and corrective measures. During the Track Record Period and up to the Latest Practicable Date, we had not become aware of any material breach of our sales policies by any sub-distributors.

Distribution Agreements

We normally enter into distribution agreements with distributors before we commence corporation. The salient terms of the distribution agreements include:

- *Term*: The term of agreements with our distributors is generally one year, which can be renewed upon mutual consent.
- *Authorized distribution scope*: We limit the number of regions in which the distributors are allowed to sell our products and services, or the number of end customers to which the distributors are allowed to sell our products.
- *Authorized products and services*: We specify the authorized product and service types allowed for the distributors to sell to end customers in our distributor agreement. The prices at which we sell our products and services are usually set by us, taking into account our standard prices for such products and services, the historical performances of the distributors, the amount of products and services to be purchased by them and the discount we grant (if any).
- *Product return*: We generally only accept product return requests arising from quality issues or inconsistencies between the products delivered and the specifications under the relevant sales orders. For product return requests arising from other reasons, we will decide whether to accept them on a case-by-case basis. We believe such product return policy is in line with the industry practice.

- *Sales target*: For some categories of our products and services, we may set sales targets. Distributors who reach such targets will be granted a discount. We do not set sales target or minimum purchase amount for other distributors.
- *Delivery arrangements*: We generally make transportation arrangements to deliver our products and services to the places designated by the distributors.
- *Payment arrangements*: We generally require our distributors to pay us in full within 30 to 90 days after the issuance of invoices.
- *Inspection*: The distributors shall inspect the products and services according to the specifications under the sales orders and packing lists.

During the Track Record Period and up to the Latest Practicable Date, we had not terminated any distributor as a result of any material breach of the relevant agreements, nor had we encountered any material dispute with our distributors.

THIRD-PARTY PAYMENT

Background

During the Track Record Period, a total of 271 overseas customers (the "**Relevant Customers**") settled their payments with certain of our Group's entities through the accounts of third parties designated by these Relevant Customers (the "**Third-party Payment Arrangements**"). In 2023, 2024, 2025 and the seven months ended July 31, 2026, the aggregate amount of payment from designated third parties to our Group was RMB3.7 million, RMB1.7 million, RMB1.4 million and RMB0.3 million, respectively, which accounted for 0.7%, 0.3%, 0.2% and 0.05% of the total revenue for the same periods, respectively.

Our Directors confirm that, to their best knowledge. (i) during the Track Record Period, the third parties designated by the Relevant Customers (the "**Third-party Payors**") to make payments to us primarily consisted of employees of the Relevant Customers, and (ii) none of the Third-party Payors during the Track Record Period is a connected person of our Group. As of the Latest Practicable Date, we had not entered into any tripartite agreement with Relevant Customers and Third-party Payors. As advised by our U.S. Legal Advisor and Swiss Legal Advisor, where a customer authorizes a third-party payor to make payment on its behalf and the Company accepts such payment in satisfaction of the customer's payment obligations, such payments may be treated as payments made by the customer and discharge the customer's obligation as if effected by the customer itself. As advised by our U.S. Legal Advisor, in instances where third-party payments were made through customer authorization, the risks arising from such arrangements are remote. As advised by our Swiss Legal Advisor, in instances where a customer causes the Third-party Payors to remit funds on its behalf to us, the risks concerning (i) challenges in verifying the identity and authority of the Third-party Payors, (ii) limitations in audit trail and internal controls, and (iii) limitations in potential regulatory scrutiny relating to anti-money laundering and financial reporting, are remote. In addition, as further advised by our Swiss Legal Advisor, absent an express assumption of liability by the Third-party Payors accepted by us, the Third-party Payors merely performs the Relevant Customers' obligation and do not become independently liable to us. Accordingly, our rights and obligations remain solely with the Relevant Customers, and we do not owe any contractual obligation to the Third-party Payors solely by reason of receipt of such payment. In light of the above, we are of the view that the risk relating to the Third-party Payment Arrangements is remote.

Reasons for Accepting Third-party Payment Arrangements

The Relevant Customers that utilized Third-party Payment Arrangements were exclusively our overseas customers in the United Sates and Switzerland. According to Frost & Sullivan, it is common for the companies in the biological reagents industry to have such Third-party Payment Arrangement to settle with customers. It is also common for overseas customers to settle payments using the credit cards under their employees' names as part of their established procurement and reimbursement practices when dealing with foreign suppliers for reasons of convenience, efficiency and internal administrative handling, according to Frost & Sullivan. Our acceptance of such arrangements was made solely to accommodate customer requests and did not alter the underlying sales relationships, contractual counterparties or delivery arrangements.

Legality of Third-party Payment Arrangements

To the best knowledge of our Directors, (i) all Third-party Payors are independent third parties who are neither directly nor indirectly controlled by the shareholders, directors or senior management of any member of our Group, nor have any other business or personal relationship, whether directly or indirectly, with our Group; (ii) the sources of payments by the Third-party Payors are not affiliated with any member of our Group or their connected persons; (iii) during the Track Record Period and up to the Latest Practicable Date, we were not aware of any money laundering, corruption, financial crimes, tax evasion, disputes, litigation or other legal proceedings in connection with, or arising from, any payments made under the Third-party Payment Arrangements, nor were we aware of any claims by the Relevant Customers or the Third-party Payors for the return of any payment made under such arrangements; and (iv) no member of our Group had been subject to any administrative penalties, investigations, litigations or other forms of disputes, whether actual or pending, relating to the Third-party Payment Arrangements during the Track Record Period and up to the Latest Practicable Date. As advised by our U.S. Legal Advisor and Swiss Legal Advisor, the Third-party Payment Arrangements during the Track Record Period did not contravene any mandatory provisions of the applicable laws and regulations in the United States and Switzerland currently in effect. See "Risk Factors — Risks Relating to Our Business and Industry — Use of third-party payment arrangements may expose us to regulatory, operational and payment settlement risks."

Internal Control Measures

We have adopted internal control measures to mitigate related risks, including but not limited to the following:

(i) We do not accept third-party payments that differ from the named counterparty in our contracts in principle. To maintain clear and compliant financial records, we expect all customers to settle transactions directly through their own bank accounts. Before order placement, overseas customers are required to complete a tick-box declaration, undertaking that payments shall be effected either through the corporate account of the entity identified in the purchase order or through the account of a designated individual expressly stated in the purchase order. If entrusted payment agreements or payment authorization letters are provided, we may accept such payments upon prior internal approval.

(ii) Our business team is obligated to notify customers of our third-party payment policy before entering into contracts. Whenever we receive a payment, our finance team checks that the name on the bank transfer matches the name of the contracting party. If there's a mismatch, we pause the transaction and reach out to the relevant business contact for clarification. Our finance team shall not process any receipts or payments if the mismatch can not be reasonably explained or remedied.

(iii) Our finance team has established third-party payment ledgers to record detailed information of each third-party payment. Internal control department shall conduct spot check on the ledgers and other documents on a quarterly basis to ensure third-party payments have been duly identified, recorded and approved in accordance with our policy.

(iv) We formulated and issued the Third-Party Collection and Payment Management Policy in December 2025, which clearly defines the administration of third-party receipts and payments, daily reconciliation procedures, handling measures for discrepancies, the application and approval processes for special circumstances and the quarterly inspection mechanism.

(v) We have requested Relevant Customers and Third-party Payors (if accessible) to provide confirmation not to request refunds from the Group relating to transactions under the Third-party Payment Arrangements. Based on communications with Relevant Customers and Third-party Payors, as of the Latest Practicable Date, we had not received any indication of potential refund claims.

Based on our continuously enhanced internal control measures, the aggregate amount of payment under the Third-party Payment Arrangements in the seven months ended July 31, 2026 represented only 0.05% of our total revenue in the same period, which was substantially lower than the 0.2% recorded for the full year of 2025.

If we are required to cease the Third-party Payment Arrangements, we believe that it will not result in any material adverse impact on our operations or financial performance, primarily because such Third-party Payment Arrangements were limited in scope and occurrence and the majority of our customers settled payments with us directly, with the revenue contribution from these Third-party Payment Arrangements accounting for below 1% of our total revenue in each year/period during the Track Record Period, respectively.

TRANSFER PRICING ARRANGEMENTS

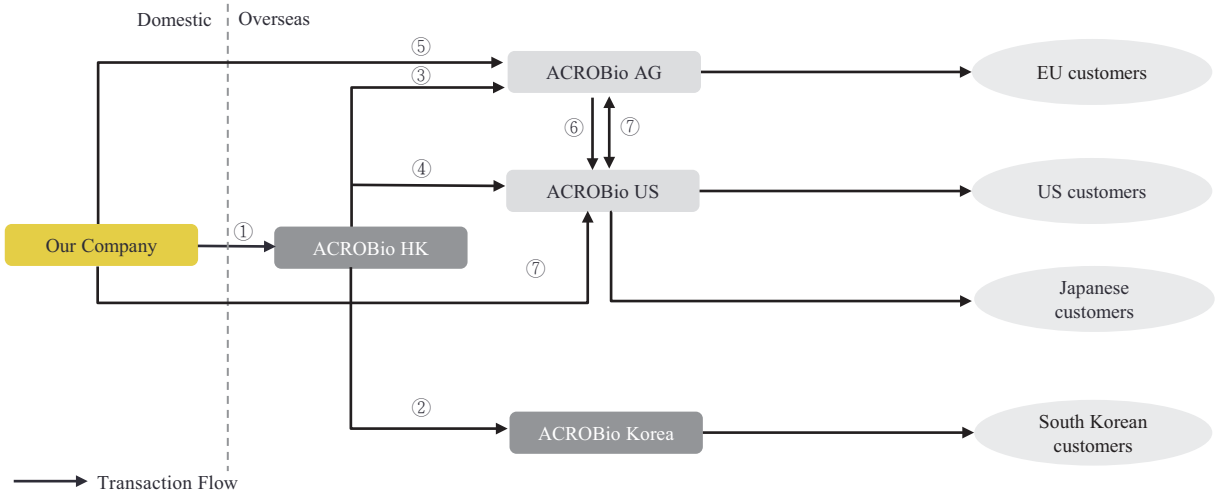
Overview

During the Track Record Period and up to the Latest Practicable Date, our Group conducted intra-group transactions among entities located in the PRC, Hong Kong, the United States, Switzerland, Japan, the United Kingdom, Germany and South Korea. These intra-group transactions primarily comprised (i) sales of products, including inventory transfers for overseas warehousing and fulfillment purposes, and (ii) sales support and operational support services provided within our Group.

Our Group has established transfer pricing arrangements in accordance with the arm's length principle, under which the pricing and profitability of intra-group transactions reflect the respective functions performed, assets employed and risks assumed by each Group entity.

Functional Roles within Our Group

The following flow chart sets forth the intra-group buy-sell transactions under the transfer pricing arrangements:



Notes:

(1) Transaction 1: Our Company sold products to ACROBio HK.

(2) Transaction 2: ACROBio HK sold products to ACROBio Korea.

(3) Transaction 3: ACROBio HK sold products to ACROBio AG.

(4) Transaction 4: ACROBio HK sold products to ACROBio US.

(5) Transaction 5: Our Company sold products to ACROBio AG directly since April 2025.

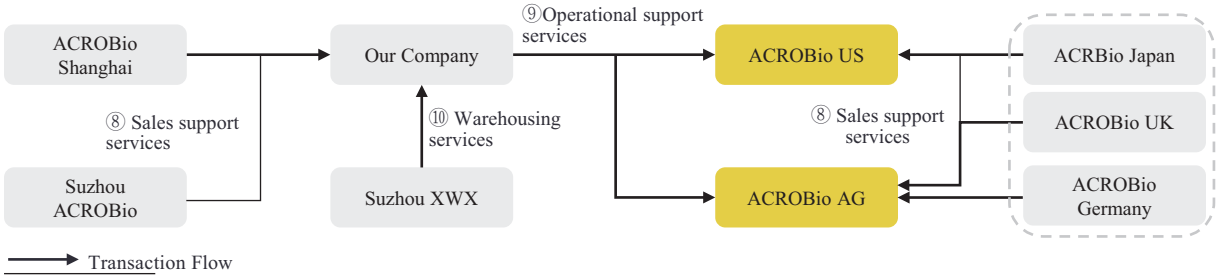
(6) Transaction 6: ACROBio AG sold products to ACROBio US;

(7) Transaction 7: Inventory allocation and transfer (our Company transferred products to ACROBio US, ACROBio AG and ACROBio US conducted mutual stock transfer).

The following table sets forth the transaction amounts of the intra-group buy-sell transactions under the transfer pricing arrangements:

No.	Seller	Buyer	For the year ended December 31, 2023	2024	2025	For the seven months ended July 31, 2026
				(RMB in thousand)		
1.	Our Company	ACROBio HK	250,127	276,055	202,441	76,338
2.	ACROBio HK	ACROBio Korea	—	13,251	21,208	25,380
3.	ACROBio HK	ACROBio AG	54,530	77,088	85,018	300
4.	ACROBio HK	ACROBio US	240,979	252,307	110,174	60,841
5.	ACROBio Beijing	ACROBio AG	—	—	34,454	95,663
6.	ACROBio AG	ACROBio US	—	—	52,943	62,809
7.	ACROBio US	ACROBio AG	4,968	2,820	2,100	1,626
	ACROBio AG	ACROBio US	9,563	22,506	2,161	—
	Our Company	ACROBio US	—	—	1,384	135

The following flow chart sets forth the intra-group service transactions under the transfer pricing arrangements:



Notes:

(8) Transaction 8: ACROBio Japan, ACROBio UK and ACROBio Germany provided sales support services to ACROBio US and ACROBio AG; ACROBio Shanghai and Suzhou ACROBio provided sales support services to our Company.

(9) Transaction 9: Our Company provided operational support services to ACROBio AG and ACROBio US since 2025.

(10) Transaction 10: Suzhou XWX provided warehousing services to our Company.

The following table sets forth the transaction amounts of the intra-group service transactions under the transfer pricing arrangements:

No.	Seller	Buyer	For the year ended December 31, 2023	2024	2025	For the seven months ended July 31, 2026
				(RMB in thousand)		
8.	ACROBio Shanghai	Our Company	—	—	11,205	7,210
	Suzhou ACROBio	Our Company	—	—	—	1,345
	ACROBio Germany	ACROBio AG	2,221	4,713	3,517	3,353
	ACROBio UK.	ACROBio US	2,708	3,151	—	—
	ACROBio UK.	ACROBio AG	560	2,062	8,140	6,650
	ACROBio Japan	ACROBio US	—	1,351	497	—
	ACROBio Japan	ACROBio AG	—	—	2,668	1,562
9.	Our Company	ACROBio US	—	—	25,748	8,924
	Our Company	ACROBio AG	—	—	10,424	5,005

The principal functional roles of the key operating entities within our Group are summarized as follows:

- *Our Company*: serves as the principal entity and headquarters of our Group. It is responsible for our Group's core R&D, product design, procurement, production, quality control, pricing framework, global strategy formulation and overall operational management. Our Company owns our Group's core intellectual property, bears the key entrepreneurial risks (including R&D, production, strategic and market risks), and is entitled to the residual profits or losses of our Group.
- *ACROBio HK*: operates as our Group's overseas trading platform and is characterized as a limited-risk distributor. It performs routine trading and coordination functions, does not own intellectual property, does not maintain inventory and bears limited market and credit risks.
- *ACROBio US and ACROBio AG*: act as local distributors responsible for developing and maintaining customer relationships in their respective markets. These entities perform sales and marketing functions and assume certain local market and inventory risks, while operating within the Group's global pricing framework.

- *ACROBio Korea:* performs limited distribution functions, primarily relating to local warehousing, logistics and delivery, and bears limited risks.
- *ACROBiosystems Japan Co., Ltd., ACROBio Ltd (UK), ACROBiosystems GmbH (Germany) and ACROBiosystems (Shanghai) Biotech Co., Ltd.*: provide sales support services to local distributors or to our Company. These entities do not own intellectual property, do not assume market risks and are remunerated on a cost-plus basis.

Transfer Pricing Assessment and Methodology

Our transfer pricing arrangements were assessed with reference to (i) the Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations published by the Organization for Economic Co-operation and Development (2022) (《OECD跨國企業與稅務機關轉讓定價指南》(2022版)) (the "**OECD Guidelines**"), (ii) the Announcement of the State Administration of Taxation [2016] No. 42 (國家稅務總局公告2016年第42號：國家稅務總局關於完善關聯申報和同期資料管理有關事項的公告) ("**SAT Bulletin 42**"), and (iii) the Announcement of the State Administration of Taxation [2017] No. 6 (國家稅務總局公告2017年第6號：國家稅務總局關於發佈《特別納稅調查調整及相互協商程序管理辦法》的公告) ("**SAT Bulletin 6**").

Based on the functional and risk profiles of the relevant entities, appropriate transfer pricing methods were selected to assess the arm's length nature of our intra-group transactions. In particular, the Transactional Net Margin Method was applied to the limited risk entities including limited risk distributors and limited risk sales support and operational support service providers, while the Resale Price Method was applied to the local distributors assuming greater local market risks. Under these methods, net profit-based or margin-based profit level indicators, as applicable, were adopted in a manner consistent with the respective functional profiles of the relevant entities.

Conclusion and Transfer Pricing Risk

Based on the analyses performed by our Transfer Pricing Consultant, our Directors are of the view and concur with the Transfer Pricing Consultant that, given the aforementioned transactions entered into during the Track Record Period fell within the interquartile ranges derived from the benchmarking analysis, (i) the transfer pricing risk of our Group during the Track Record Period was relatively low; (ii) the Group had complied with the arm's length principle as stipulated in applicable transfer pricing laws and regulations in the relevant jurisdictions during the Track Record Period and up to the Latest Practicable Date, and (iii) the risk of additional enterprise income tax liabilities arising from our transfer pricing adjustments was relatively low.

PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

Procurement

Our major raw materials include biochemical reagents and laboratory consumables. Among these, biochemical reagents primarily consist of cell culture media and their components, functional cell lines, primers, peptone, yeast extract, transfection reagents, buffer components (a solution that resists changes in pH when acids or bases are added), and tool enzymes. Laboratory consumables include chromatography columns, chromatography cartridges, non-immuno-stained precast gels, purification resins and microplate readers (an instrument designed to detect and quantify biological, chemical, or physical reactions in multi-well plates).

During the Track Record Period, we primarily sourced raw materials from Chinese Mainland, the U.S., Japan and Germany. In 2023, 2024, 2025 and the seven months ended July 31, 2026, in terms of the procurement amount, our raw materials sourced from Chinese Mainland accounted for 85.7%, 87.2%, 85.2% and 73.6% of our total procurement amount, respectively, our raw materials sourced from the U.S. accounted for 10.2%, 8.7%, 10.5% and 24.8% of our total procurement amount, respectively,

our raw materials sourced from Japan accounted for 0.8%, 1.0%, 1.3% and 0.4% of our total procurement amount, respectively, our raw materials sourced from Germany accounted for 1.7%, 1.8%, 1.3% and nil of our total procurement amount, respectively, and our raw materials sourced from other overseas countries and regions, including Switzerland, Canada, the United Kingdom, France, the Netherlands, South Korea, Singapore and Danmark accounted for 1.6%, 1.5%, 1.8% and 1.2% of our total procurement amount, respectively.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant delays or shortages in the supply of materials that had a material adverse impact on our business operations.

Supplier Selection and Management

We implement a rigorous, multi stage supplier selection and management process to ensure the quality and stability of our supply chain. We have established a comprehensive supplier management system covering supplier screening, selection, classification, evaluation and daily management. For potential suppliers, we conduct preliminary due diligence on their product quality, production processes and technical capabilities prior to engagement, and select qualified suppliers based on pricing, delivery schedules, product quality, service capability and track record. Our procurement department conducts annual and periodic assessments of supplier performance across multiple dimensions, including product quality, delivery timeliness, after-sales service, pricing and qualifications, with results documented in supplier review forms, and identifies and recognizes outstanding suppliers annually. We have established penalty mechanisms for breaches, track delivery timelines to ensure timely fulfillment, manage payment processes in accordance with contract terms and verify supplier compliance with contractual obligations, while user departments oversee the fulfillment of quality standards and deliverables.

Contracts with Suppliers

For suppliers providing materials on an as-needed basis, we typically operate on the basis of standalone purchase contracts. For our key suppliers of critical or frequently purchased materials, we typically enter into annual framework agreements to govern the long-term relationship. The principal terms of our procurement contracts are generally summarized below:

Specifications	Specifications, quantities and pricing are generally set out in the contract or purchase order.
Quality and Inspection . . .	We perform incoming quality inspections on all materials. We are entitled to return any materials that do not meet our pre-agreed specifications.
Payment and Credit Term .	Payment terms are typically settled on a fixed-cycle basis with a credit period of 30 to 90 days following the invoice date.
Delivery	Goods are typically delivered to our designated factory warehouse, with transportation costs borne by the supplier.

Supply Chain Stability and Risk Mitigation

The purchase prices of raw materials are primarily influenced by prevailing market rates for materials of similar quality. During the Track Record Period and up to the Latest Practicable Date, there had been no significant increases in the prices of our major raw materials, nor any fluctuations that materially and adversely affected our operations or gross profit margins. In addition, we had not placed over-reliance on any single supplier for raw materials during the Track Record Period and up to the Latest Practicable Date.

Set forth below is our sensitivity analysis of raw material price fluctuations included in our cost of sales during the Track Record Period, which illustrates the impact of a 1%, 3% or 5% increase or decrease in raw material prices on our gross profit margin and net profit margin, assuming all other factors remain unchanged:

	Impact on gross profit margin				Impact on net profit margin			
	For the year ended December 31,			For the seven months ended July 31,	For the year ended December 31,			For the seven months ended July 31,
	2023	2024	2025	2026	2023	2024	2025	2026
Price changes in raw materials								
-/+1%	+/-0.07%	+/-0.07%	+/-0.06%	+/-0.04%	+/-0.09%	+/-0.10%	+/-0.09%	+/-0.07%
-/+3%	+/-0.20%	+/-0.20%	+/-0.18%	+/-0.13%	+/-0.27%	+/-0.31%	+/-0.28%	+/-0.21%
-/+5%	+/-0.33%	+/-0.33%	+/-0.30%	+/-0.22%	+/-0.45%	+/-0.52%	+/-0.46%	+/-0.35%

Our Suppliers

In each year/period during the Track Record Period, purchases from our five largest suppliers amounted to RMB66.4 million, RMB78.8 million, RMB91.1 million and RMB49.6 million, accounting for 32.6%, 31.0%, 34.4% and 30.8% of our total purchases in the respective periods. In each year/period during the Track Record Period, purchases from our largest supplier amounted to RMB27.3 million, RMB29.8 million, RMB30.6 million and RMB17.7 million, accounting for 13.4%, 11.7%, 11.6% and 11.0% of our total purchases in the respective periods. Our main payment methods for the five largest suppliers for each period during the Track Record Period were wire transfer. To the best knowledge of our Directors, during the Track Record Period, all of our five largest suppliers were Independent Third Parties. None of our Directors, their respective close associates, or any Shareholder who, to the knowledge of our Directors, owns more than 5% of our issued capital, had any interest in these suppliers during the Track Record Period and up to the Latest Practicable Date.

The following table sets forth details of our top five suppliers in each year/period during the Track Record Period:

For the year ended December 31, 2023

Supplier	Background	Product/service procured	Year of Commencement of Business Relationship	Typical Credit Term	Transaction Amount	As Percentage of Our Total Purchases
				Days	*RMB'000*	
Supplier A	A state-owned company located in Beijing, China with the registered capital of RMB18.7 billion, primarily engaging in the industrial park development and operation	Leasing, property and utility services	2017	Prepayment	27,263	13.4%
Supplier B	A company established in the United States and listed on NASDAQ, with annual revenue over US$400 billion in 2025, primarily engaging in search engine and internet services	Advertising	2013	Prepayment	24,571	12.1%

Supplier	Background	Product/service procured	Year of Commencement of Business Relationship	Typical Credit Term	Transaction Amount	As Percentage of Our Total Purchases
				Days	*RMB'000*	
Supplier C.	A limited liability company located in Jiangsu Province, China with the registered capital of USD47.3 million, primarily engaging in biopharmaceutical CDMO services	CDMO services	2023	30	6,210	3.0%
Supplier D.	A limited liability company located in Shanghai, China with the registered capital of USD3.8 million, primarily engaging in product distribution and technology application in biochemistry	Reagents	2015	60	4,240	2.1%
Supplier E.	A limited liability company located in Shanghai, China with the registered capital of RMB360.0 million, primarily engaging in information technology services	Property leasing service	2022	Prepayment	4,133	2.0%
Total					**66,417**	**32.6%**

For the year ended December 31, 2024

Supplier	Background	Product/service procured	Year of Commencement of Business Relationship	Typical Credit Term	Transaction Amount	As Percentage of Our Total Purchases
				Days	*RMB'000*	
Supplier A.	A state-owned company located in Beijing, China with the registered capital of RMB18.7 billion, primarily engaging in the industrial park development and operation	Leasing, property and utility services	2017	Prepayment	29,774	11.7%
Supplier B.	A company established in the United States and listed on NASDAQ, with annual revenue over US$400 billion in 2025, primarily engaging in search engine and internet services	Advertising	2013	30	26,902	10.6%
Supplier F.	A company established in Hong Kong with business operation in over 200 countries and regions, primarily engaging in global express delivery	Freight and duty	2015	30	8,351	3.3%
Supplier D.	A limited liability company located in Shanghai, China with the registered capital of USD3.8 million, primarily engaging in product distribution and technology application in biochemistry	Reagents	2015	60	7,076	2.8%
Supplier C.	A limited liability company located in Jiangsu Province, China with the registered capital of USD47.3 million, primarily engaging in biopharmaceutical CDMO services	CDMO services	2023	30	6,652	2.6%
Total					**78,755**	**31.0%**

For the year ended December 31, 2025

Supplier	Background	Product/service procured	Year of Commencement of Business Relationship	Typical Credit Term	Transaction Amount	As Percentage of Our Total Purchases
				Days	*RMB'000*	
Supplier B	A company established in the United States and listed on NASDAQ, with annual revenue over US$400 billion in 2025, primarily engaging in search engine and internet services	Advertising	2013	30	30,627	11.6%
Supplier A	A state-owned company located in Beijing, China with the registered capital of RMB18.7 billion, primarily engaging in the industrial park development and operation	Leasing, property and utility services	2017	Prepayment	30,250	11.4%
Supplier F	A company established in Hong Kong with business operation in over 200 countries and regions, primarily engaging in global express delivery	Freight and duty	2015	30	11,448	4.3%
Supplier D	A limited liability company located in Shanghai, China with the registered capital of USD3.8 million, primarily engaging in product distribution and technology application in biochemistry	Reagents	2015	60	10,834	4.1%
Supplier G	A limited liability company located in Guangdong Province, China with the registered capital of RMB113.4 million, primarily engaging in import and export operations, international freight forwarding and franchise operations	Logistics and catering services	2017	30	7,978	3.0%
Total					**91,137**	**34.4%**

For the seven months ended July 31, 2026

Supplier	Background	Product/service procured	Year of Commencement of Business Relationship	Typical Credit Term	Transaction Amount	As Percentage of Our Total Purchases
				Days	*RMB'000*	
Supplier B	A company established in the United States and listed on NASDAQ, with annual revenue over US$400 billion in 2025, primarily engaging in search engine and internet services	Advertising	2013	30	17,672	11.0%
Supplier A	A state-owned company located in Beijing, China with the registered capital of RMB18.7 billion, primarily engaging in the industrial park development and operation	Leasing, property and utility services	2017	Prepayment	15,347	9.5%
Supplier F	A company established in Hong Kong with business operation in over 200 countries and regions, primarily engaging in global express delivery	Freight and duty	2015	30	7,044	4.4%

Supplier	Background	Product/service procured	Year of Commencement of Business Relationship	Typical Credit Term	Transaction Amount	As Percentage of Our Total Purchases
				Days	*RMB'000*	
Supplier D.	A limited liability company located in Shanghai, China with the registered capital of USD3.8 million, primarily engaging in product distribution and technology application in biochemistry	Reagents	2015	60	5,069	3.1%
Supplier G.	A limited liability company located in Guangdong Province, China with the registered capital of RMB113.4 million, primarily engaging in import and export operations, international freight forwarding and franchise operations	Logistics and catering services	2017	30	4,513	2.8%
Total					**49,645**	**30.8%**

QUALITY CONTROL

We have established and maintained quality control systems to ensure the quality of our products. Our quality control measures can be described as follows:

- *Selection and Management of Suppliers*: We have established a qualified supplier management system under which suppliers are selected based on their qualifications, creditworthiness and performance capabilities. Each supplier undergoes an annual assessment that evaluates its operating history, the stability of the materials supplied and our past cooperation experience.

- *Inspection of Raw Materials*: Upon arrival at our production facilities, all raw materials are checked against the required specifications, and core raw materials such as trehalose and glycine are subject to item by item inspection. For routine consumables and reagents, we adopt a sampling based inspection approach. Materials are accepted into inventory only after their quality has been confirmed to meet our requirements.

  During the Track Record Period and up to the Latest Practicable Date, we had not identified any substantial defects in any raw materials supplied by our suppliers, there had been no material delays in delivering our raw materials and we had not suffered any financial loss as a result of defective raw materials.

- *Production Process*: Throughout the production process, we apply a systematic inspection and reporting regime to ensure product quality. Quality inspection requests are initiated by the relevant business units, conducted by the quality control department, and the final product release is performed by the quality assurance department.

- *Finished Products*: We have established finished product testing guidelines that set out the required testing procedures and quality criteria to ensure that all products meet our internal quality standards and customer specifications prior to delivery. These testing guidelines are reviewed and updated on a regular basis.

- *Warehousing*: Our finished products are first packaged and stored in our warehouse before being prepared for transportation and delivery. We implement protective measures during storage and shipment to minimize the risk of product deterioration, damage or similar quality issues.

- *Delivery*: We generally engage third-party logistics service providers to deliver our products to the customer's designated destination. Our logistics partners are responsible for maintaining the integrity of the finished products during transportation.

All products we deliver to customers comply with relevant quality management system standards. Our quality management system includes standards of ISO 9001:2015, ISO 13485:2016, cGMP, MDSAP and Rx-360. During the Track Record Period and up to the Latest Practicable Date, we did not receive any material claims from customers relating to the quality of our products or services. Our quality personnel possess educational backgrounds or industry experience in biology or related fields and receive regular systematic training to ensure that they remain proficient in the latest regulatory requirements, quality standards and technical skills.

INTERNATIONAL SANCTIONS, TRADE RESTRICTIONS AND TARIFF POLICIES

We conduct transactions with overseas customers and suppliers. In 2023, 2024, 2025 and the seven months ended July 31, 2026, the revenue from sales to customers outside the Chinese Mainland accounted for 65.9%, 66.5%, 63.8% and 60.8% of our total revenue, respectively. In 2023, 2024, 2025 and the seven months ended July 31, 2026, the procurement from suppliers outside the Chinese Mainland accounted for 14.3%, 12.8%, 14.8% and 26.4% of our total procurement amount, respectively.

To regulate the procedures of the export of our products and the import of raw materials, and to mitigate or avoid import and export risks, we have established a set of internal policies and procedures, including the Standard Operating Procedures for Import and Export Declaration (進出口報關操作標準程規), Procedures for Research on Import Regulations for High-Risk Products (高風險產品進口法規調研程序) and Procedures for the Procurement and Management of Imported Materials (進口物料採購管理程序), which set out specific requirements in respect of import and export declaration, research on import and export regulations and procedures.

Our supply chain department conducts prior research to verify the import and export regulations of the PRC and the relevant destination jurisdictions for all our products exported overseas and raw materials imported from overseas. It also closely monitors changes and updates to tariffs and other relevant policies of jurisdictions worldwide, as well as import and export sanctions imposed by such jurisdictions. For each new customer and supplier, we collect relevant corporate information prior to entering into any cooperative arrangement. We believe that we generally maintained good and stable relationship with our customers and suppliers during the Track Record Period and up to the Latest Practicable Date.

During the Track Record Period, all our products were produced in Chinese Mainland. We generally sold products to ACROBio HK, which exported them to our overseas subsidiaries for subsequent sale to end customers. In 2023, 2024, 2025 and the seven months ended July 31, 2026, our revenue from sales to customers in the U.S. accounted for 43.6%, 42.6%, 40.1% and 38.2% of our total revenue, respectively, and our revenue from sales to customers in Europe accounted for 14.4%, 13.9%, 14.2% and 14.1% of our total revenue, respectively. On September 25, 2025, the U.S. president announced that brand-name or patented pharmaceutical products will be subject to a 100% tariff starting October 1, 2025, unless the drugmaker is building a manufacturing plant in the U.S. While we are primarily engaged in the biological reagents industry, rather than pharmaceutical products, as advised by our International Sanctions Counsel, such policy does not apply to us. As of the Latest Practicable Date, the applicable tariff rates for our exports to the U.S. and the European Union were 12.5% and 0%, respectively.

Implications of International Sanctions

Our business operations and financial performance can be influenced by various factors relating to international export controls, economic or trade sanctions. See "Risk Factors — Risks Relating to Our Business and Industry — Tensions and trade frictions between United States and China could materially and adversely affect our business and results of operations." We have engaged International Sanctions Counsel to review and advise our procurement and export activities.

Under U.S. export control regulations, notwithstanding that some of our customers have been placed on the Entity List and Unverified List, as advised by our International Sanctions Counsel, our Directors believe that our products are not subject to the U.S. Export Administration Regulations ("**EAR**") and our sales in general did not violate the EAR during the Track Record Period and up to the Latest Practicable Date. As for our procurement, while we purchase raw materials subject to the EAR, the suppliers of the U.S.-origin raw materials did not communicate any control status or licensing requirements under the EAR with us during the importation process, with the exception of controlled materials for which we have obtained the required export license. Furthermore, while some of our suppliers are designated on the Entity List, such designations generally do not prohibit the procurement of items from these entities by us, provided there is no knowledge of underlying violations of the EAR. Therefore, as advised by our International Sanctions Counsel, our procurements was not unlikely to violate the EAR during the Track Record Period and up to the Latest Practicable Date and we believe it will not have a material adverse impact on our operations. Since April 2019 and up to the Latest Practicable Date, we conducted transactions with a total of around 20 customers and suppliers designated on the Entity List and/or the Unverified List, with an aggregate transaction amount of less than RMB0.3 million.

In terms of economic sanctions, as advised by our International Sanctions Counsel, as (i) our business operations do not involve any Sanctioned Activities as defined under the Sanctions Guidance; (ii) no member of us is a Sanctioned Target, nor is any member located, incorporated, or resident in a Sanctioned Country; (iii) we are not a Sanctioned Trader, as we have not conducted business with any Sanctioned Target or in any Sanctioned Countries, and our business is unlikely to trigger sanctions risks, sanctions laws and regulations did not have material impacts on our business operations and financial performance, directly or indirectly, during the Track Record Period and up to the Latest Practicable Date.

In addition, we have implemented internal control measures against sanctions risks. Specifically, we have established a dedicated compliance oversight mechanism, formulated sanctions compliance and export control policies, and implemented mandatory screening against applicable sanctions and restricted lists for all customers, suppliers, end users and transactions. We have also maintained complete licensing and transaction documentation and strengthened due diligence over customers and suppliers to ensure the effective implementation of relevant control measures. As advised by our International Sanctions Counsel, our Directors are of the view, and the Sole Sponsor concurs, that such internal control measures are effective in preventing the trigger of potential sanctions risks.

Analysis on Tariffs Policies

The U.S. is currently adjusting its tariff measures worldwide, including Section 301 tariffs, Section 301 forced labor tariffs and Section 232 tariffs, which are applied to all goods exported to the U.S. As advised by our International Sanctions Counsel, the tariff rates on our products as of the Latest Practicable Date were:

Country of origin	HTS Code	301 tariff rate	301 Forced labor tariff rate	232 tariff rate	Total tariff rate
China	3822.19.00	0%	12.5%	0%	12.5%
	3002.59.00	0%	12.5%	0%	12.5%
	3821.00.00	0%	12.5%	0%	12.5%

Considering: (i) the limited total tariff rates as of the Latest Practicable Date, and (ii) the percentage of our revenue from sales to the U.S. compared to our total revenue has experienced a decline, accounting for 43.6%, 42.6%, 40.1% and 38.2% in 2023, 2024, 2025 and the seven months ended July 31, 2026, respectively, primarily attributable to our continuous business growth in other countries/regions, our Directors are of the view that the aforementioned U.S. tariff policies have not had and are expected not to have a material adverse impact on our overall sales performance. In addition, with respect to the raw materials we procure from U.S. origins, China imposed an additional 10% tariff on such imports as of the Latest Practicable Date. Given that this tariff rate has remained generally stable and represents a relatively small portion of our total procurement costs, our Directors are of the view that it will not have a material adverse impact on our cost structure, profit margin and results of operations.

In addition to the aforementioned sales and procurement activities involving the U.S., as advised by our International Sanctions Counsel, the trade relations and tariff policies between China and other countries or regions where we operate have remained consistently stable. In addition, as advised by our International Sanctions Counsel, the sanction measures imposed by the the European Union, the U.K. and the United Nations and Australia are inapplicable to the Group's business, and are no broad additional tariffs, trade barrier, or discriminatory restrictions imposed against China in these jurisdictions. As such, our Directors are of the view that the tariff policies in these regions have not had, and are not expected to have, any material adverse impact on our business, financial condition and results of operations.

Analysis on U.S. Outbound Investment Review Regulations

In addition, on August 9, 2023, the Biden Administration issued Reverse CFIUS EO granting the U.S. government the authority to establish and enforce an outbound investment screening regime. On October 28, 2024, the Department of the Treasury issued the Final Rule to implement an outbound investment program that restricts investments by U.S. persons and U.S.-controlled entities imposed by Executive Order 14105, "Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern." The Final Rule has become effective on January 2, 2025. The Final Rule targets investments by U.S. persons involving persons and entities associated with "countries of concern," currently including China (including Hong Kong and Macau), that engaged in activities in certain sectors such as semiconductors and microelectronics, quantum information technologies or artificial intelligence (which the Final Rule defines as "covered activities"). The persons and entities from countries of concern engaged in covered activities defined as "covered foreign persons."

The Final Rule imposes prohibition or notification requirements on a wide range of investments by U.S. persons subject to the Final Rule, which are defined as "covered transactions," include acquisitions of equity interests (including purchases of shares in an initial public offering or contingent equity), certain debt financing, joint ventures, and certain investments as a limited partner in a non-U.S.

person pooled investment fund. As advised by our International Sanctions Counsel, our business has no relation to any covered activity and does not fall into the prohibited scope nor the notifiable scope under Section 850.224 and Section 850.217 of the Finale Rule respectively, therefore, the Final Rule will not have impact on our business and the **[REDACTED]**. Further, in light of the additional frequently asked questions ("**FAQs**") released by the Department of Treasury of the U.S. on December 23, 2025, specifically FAQ X.4, our International Sanctions Counsel has advised that the acquisition of equity interests in a "covered foreign person" may qualify as an "excepted transaction" under 31 CFR 850.501(a)(1)(i) if such interests are publicly traded at the time of acquisition. However, even though we are of the view that the publicly traded exception as set out under 31 CFR 850.501(a)(1)(i) should not be applicable as we are not a "covered foreign person", there is no assurance that the U.S. Department of Treasury will take the same view; in addition, the Final Rule nonetheless may increase the compliance burden of U.S. persons and may cause certain U.S. persons to adopt a more cautious approach in their **[REDACTED]**, affecting the **[REDACTED]** sentiment towards us, and therefore negatively impacting our ability to raise capital.

BIOSECURE Act

The BIOSECURE Act (the "**Act**") of the United States was enacted as Section 851 of the National Defense Authorization Act ("**NDAA**") for fiscal year 2026 on December 18, 2025. The Act prohibits executive branch agencies from procurement, contracting, loans and grants involving "biotechnology equipment or services" produced or provided by a biotechnology company of concern ("**BCC**") in performing federal contracts. It also restricts the use of federal loan or grant funds for such covered biotechnology equipment or services.

Unlike earlier versions considered during the legislative process, the Act does not name specific companies; instead, BCCs are defined as any entity that "is to any extent involved in the manufacturing, distribution, provision or procurement of any biotechnology equipment or service" as determined by the director of the Office of Management and Budget ("**OMB**"). There are three ways entities can end up on the list of BCCs published by OMB, which must be published no later than December 2026:

- First, the entity can be included on the list of "Chinese military companies operating in the United States," which is issued by the U.S. Department of Defense ("**DoD**") in accordance with Section 1260H of the fiscal year 2021 NDAA and typically updated on an annual basis. Only such 1260H entities that are designated by OMB as being involved in manufacturing, distribution, provision or procurement of biotechnology equipment or services are thereby included on the BCC list.

- Second, the entity can be designated by OMB as a BCC if it: (1) is subject to the control or operates on behalf of the government of a foreign adversary (defined by the Act as China, North Korea, Russia and Iran); (2) is to any extent involved in the manufacturing, distribution, provision, or procurement of a biotechnology equipment or service; and (3) poses a risk to the national security of the U.S. based on: (i) engaging in joint research with, being supported by, or being affiliated with a foreign adversary's military, internal security forces or intelligence agencies, (ii) providing multiomic data obtained via biotechnology equipment or services to the government of a foreign adversary, or (iii) obtaining human multiomic data via the biotechnology equipment or services without express and informed consent.

- Finally, OMB may designate as a BCC any "subsidiary, parent, affiliate or successor of an entity" described above, provided certain criteria are met.

The Act also provides procedural protections for non-1260H designations, including advance notice and an opportunity to contest designation before final listing.

OMB must publish an initial BCC list within one year of enactment (namely, by December 18, 2026), based on DoD input and interagency consultation. OMB then has up to 180 days to issue implementation guidance, and the Federal Acquisition Regulatory Council must amend the Federal Acquisition Regulations within one year after that guidance. Restrictions are therefore not fully self-executing for federal contractors until the implementation process is completed.

For the reasons described above and as advised by U.S. Legal Advisor, there was no companies designated as BCCs as of the Latest Practicable Date, and accordingly, we did not have any business relationships with BCCs as of the Latest Practicable Date. As noted above, earlier versions of the Act expressly identified certain companies as BCCs, whereas the final version of the Act did not contain such a list. As of the Latest Practicable Date, of the five companies named in earlier versions of the legislation, we had business relationships with two companies, with the revenue from which accounting for 2.5%, 3.1%, 3.3% and 4.2% of our total revenue in 2023, 2024, 2025 and the seven months ended July 31, 2026, respectively. Therefore, as advised by U.S. Legal Advisor, the Act has not had any direct or indirect impact on the Group's business operations during the Track Record Period and up to the Latest Practicable Date.

If and when companies with which we have business relationships are in the future designated as BCCs, we have formulated relevant mitigation measures to mitigate any direct or indirect adverse impact on our business operations. We arrange dedicated compliance personnel to conduct regular screening and dynamic review of international restricted entity lists and overseas regulatory changes. We implement enhanced pre-transaction and ongoing due diligence on existing and prospective suppliers and customers to identify and avoid high-risk counterparties in a timely manner. We further expand domestic and alternative regional cooperation channels to reduce business concentration risks and balance our supply and sales structure. In addition, we refine cross-border compliance policies, reinforce internal approval procedures and arrange regular compliance training, and maintain flexible production, procurement and logistics arrangements to ensure stable daily operations. If any of our transaction counterparties become subject to overseas restrictive measures, we will promptly adjust cooperation terms, transaction structures and overall business layout so as to minimise potential operational disruptions and adverse financial impacts.

LOGISTICS AND INVENTORY MANAGEMENT

Logistics and Transportation

We engage qualified third-party logistics service providers for the delivery of our products from our warehouses to our customers. We select our logistics partners through a rigorous qualification process, evaluating them based on their logistics experience, regulatory compliance, service quality, network coverage and cost-effectiveness. All third-party logistics service providers engaged by us hold the Road Transportation Permit and certain responsible for the transportation of some biological reagents also hold the Record Filing Certificate for the Operation of Class II Medical Devices (第二類醫療器械經營備案憑證). Given the stringent temperature control requirements for some biological reagents, we have formulated a set of internal management policies including Standard Management Procedures for Product Cold Chain Transportation (產品冷鏈運輸標準規程) and Standard Operating Procedures for Liquid Shipping with Dry Ice (液體乾冰發貨標準規程). Certain of our third-party logistics service providers responsible for the transportation of some biological reagents also possess cold and frozen storage and transportation capabilities compliant with the Good Supply Practice for Pharmaceutical Products (藥品經營質量管理規範), and their vehicles must be equipped with real-time temperature monitoring, alarm and automatic adjustment functions. Temperature control requirements are also clearly stipulated in the service agreements with such logistics service providers. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material product spoilage or loss and delivery delay due to failures in logistics or transportation.

Inventory Management

Our inventory primarily consists of raw materials, work-in-progress and finished goods. We have established a comprehensive internal inventory management policy and conduct regular inventory counts and audits to ensure accuracy and control.

Our inventory management is closely integrated with our production and sales planning. Our production operations team formulates a master production schedule based on monthly market demand forecasts based on historical sales data and anticipated orders. This schedule is then used by our procurement department to create a corresponding purchasing plan for raw materials. As of the Latest Practicable Date, we stored our inventories in our four self-operated warehouses leased from Independent Third Parties, which are located in China, Switzerland, the United States and South Korea. We strive to maintain optimal inventory levels to meet our production capacity and sales plans. Our self-operated warehouses in Beijing have obtained ISO 9001 Quality Management System Certification and/or ISO 13485 Medical Devices Quality Management System Certification. We maintain our warehouses in clean, well-ventilated and organized conditions. Our storage facilities are typically equipped to accommodate cool temperature conditions, with the temperature levels being monitored in real time to align with the specific storage requirements of our products. In addition, we have obtained Registration Certificate of Enterprise Engaged in Explosive Hazardous Chemicals (易製爆危險化學品從業單位備案證明). As of December 31, 2023, 2024, 2025 and July 31, 2026, our inventories (excluding provision for impairment) amounted to RMB202.4 million, RMB286.6 million, RMB385.9 million and RMB412.2 million, respectively, while our provision for inventory impairment was RMB65.6 million, RMB89.5 million, RMB122.2 million and RMB155.5 million, respectively. In 2023, 2024, 2025 and the seven months ended July 31, 2026, our inventory turnover days were 486 days, 612 days, 599 days and 534 days, respectively.

COMPETITION

The biological reagents market in which we operate is highly competitive and fragmented, where numerous international and domestic participants compete across different product segments and customer bases. In 2025, the concentration rate of top six providers in China's biological reagents market in terms of revenue reached 26.6%. We ranked third among all participants in China's biological reagents market with a market share of 2.6% in terms of revenue in 2025, while the aggregate market share of the top two market participants amounted to 17.6%. We ranked first among all China-based providers and third among all providers in global recombinant protein market with a market share of 2.7% globally in terms of revenue in 2025, while the aggregate market share of the top two market participants amounted to 33.0%. As the market continues to evolve, competition is expected to intensify, driven by increasing demand for biological reagents and rapid technological advancements. See "Industry Overview."

We believe that we possess sufficient capabilities and competitive advantages to compete effectively in a highly competitive market. Our competitive strengths include the following:

Technological leadership in recombinant proteins with market recognition. Recombinant proteins constitute the cornerstone of our product portfolio and are critical foundational materials used in key R&D processes such as target discovery, antibody screening and functional validation. Leveraging our expertise in protein expression engineering, structural optimization and quality control, we have established robust industry position. According to Frost & Sullivan, we are well positioned in the biological reagents industry, particularly in the recombinant protein segment. This demonstrates our ability to compete effectively on a global scale alongside leading international life science tool providers.

Broad and highly scalable product portfolio. As of the Latest Practicable Date, we offered more than 5,000 SKUs across a wide range of therapeutic areas, including oncology, autoimmune, cardiovascular, metabolic, central nervous system diseases and infectious diseases. Meanwhile, we have proactively expanded our business layout in high-demand tracks and emerging therapeutic modalities, such as ADC, CGT, in vivo CAR and other cutting-edge fields. Leveraging our target coverage and R&D response capabilities, we are able to provide critical reagent support at the early development stage of global innovative drug pipelines. Our extensive and systematic product portfolio enables us to meet highly diversified research demands, strengthens our position as a preferred supplier within customers' research workflows, and allows us to dilute research and quality system investments through scale effects, thereby maintaining long-term stable.

International-grade quality systems and global operational capabilities. We conduct our manufacturing and technical services in compliance with multiple international quality and regulatory standards, including ISO 9001, ISO 13485, cGMP, MDSAP and Rx-360, to ensure that our products meet global customers' requirements for consistency, traceability and reliability. We have established business and service networks across major biopharmaceutical markets, enabling localized technical support, efficient delivery and rapid response to customer needs. This global footprint enhances supply chain resilience and further strengthens our brand credibility among multinational pharmaceutical customers.

High-quality customer base with strong customer stickiness. Our customer base comprises pharmaceutical and biotechnology companies. According to Frost & Sullivan, our customer base includes all of the top 20 global pharmaceutical companies and the top five global life science service providers in terms of revenue in 2025. Our products are deeply embedded in customers' research and validation processes and play critical roles in their drug development pipelines. As a result, we have demonstrated a high level of customer stickiness, with a 100% repurchase rate among our top 20 customers in terms of revenue during the Track Record Period, reflecting strong customer recognition of our product quality, reliable supply capabilities and technical service standards.

Proven profitability supporting long-term competitiveness. Despite intense competition in the life science tools industry, we have consistently maintained strong profitability, with gross margins of 84.3%, 84.8%, 83.5% and 83.1% in 2023, 2024, 2025 and the seven months ended July 31, 2026 respectively and stable operating cash flows. We have effectively translated technological differentiation into commercial returns, providing us with sufficient financial resources to continue increasing R&D investments, expanding our product portfolio and deepening our global presence. This virtuous cycle underpins our long-term competitive advantages and positions us well to capture future industry growth opportunities.

OUR EMPLOYEES

As of July 31, 2026, we had a total of 991 employees. Among them, 901 were located in China, 62 were located in the United States and 28 were located in other overseas countries. The table below sets forth a breakdown of our employees by function as of July 31, 2026.

Function	Number of Employees	% of Total
R&D	295	29.8
Production	258	26.0
Sales and marketing	233	23.5
Management and administration	178	18.0
Finance	27	2.7
Total	**991**	**100.0**

We believe that our ability to attract, recruit and retain high-caliber personnel is critical to our long-term success. We have implemented a structured, multi-tiered training and development system to enhance the professional capabilities and career development of our employees. We conduct regular technical and management training sessions led by internal experts and external consultants, covering key functional areas such as R&D, clinical operations, production and commercial operations. We also promote cross-departmental collaboration and knowledge-sharing mechanisms to foster continuous learning.

We maintain a performance, compensation and benefits framework that is designed to align the interests of the Company, teams and individual employees. It adopts clear strategic objectives, structured incentive mechanisms and standardized management processes. Our compensation framework adheres to the principle of integrating position, performance, capability and market benchmarks, and adopts a structure combining fixed remuneration, short-term incentives and long-term incentive arrangements.

We applied recruitment practices based on open selection and fair competition, including online recruitment, social media recruitment, campus recruitment and internal referrals. In evaluating candidates, we consider factors such as educational background, work experience, professional knowledge, technical skills and the requirements of the relevant position. We have also established long-term cooperative relationships with domestic universities and colleges, and conduct activities such as open days, internship programs, campus recruitment and management trainee initiatives.

Our Company established the labor union in 2019. We believe we maintain a cordial and fruitful working relationship with our employees, and we had not experienced any material labor disputes during the Track Record Period and up to the Latest Practicable Date.

CERTIFICATES, PERMITS AND LICENSES

We are required to hold various certificates, permits and licenses in the PRC and other jurisdictions in which we operate to carry out our business activities. As advised by our PRC Legal Advisor, U.S. Legal Advisor, Swiss Legal Advisor, South Korean Legal Advisor, Germany Legal Advisor and the U.K. Legal Advisor, except where no licenses, approvals or permits are required for local operations, we have obtained all requisite licenses, approvals and permits from relevant authorities that are material to our operations during the Track Record Period and up to the Latest Practicable Date.

We are also required to comply with applicable national and local regulatory requirements governing the manufacture and sale of biological reagents, including regulations relating to laboratory practices, product quality standards, workplace safety and environmental protection. We monitor the validity and renewal status of our certificates, permits and licenses on an ongoing basis to ensure continuous compliance. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material suspension, revocation or non-renewal of our certificates, permits or licenses that had an adverse impact on our business operations.

We intend to maintain and update our certificates, permits and licenses as required, and will apply for any additional approvals that may be necessary to support our future expansion and new business initiatives. As advised by our PRC Legal Advisor, nothing has come to its attention that would indicate any legal impediment to renewing the relevant PRC licenses and permits upon expiry.

The following table sets forth the details of our material licenses and permits for our operations in the PRC during the Track Record Period:

Licenses/permits	License(s)	Issue/Effective Date	Expiry Date
Registration Certificate of Enterprise Engaged in Explosive Hazardous Chemicals (易製爆危險化學品從業單位備案證明)	1	July 23, 2025	N/A
Notice of Filing for Pathogenic Microorganism Laboratories and Laboratory Activities in Beijing (北京市病原微生物實驗室及實驗活動備案通知書)	1	December 29, 2020	N/A
Medical Device Production License (醫療器械生產許可證)	1	August 22, 2025	August 21, 2030
Medical Device Registration Certificate (In Vitro Diagnostic Reagents) (醫療器械註冊證(體外診斷試劑))	1	N/A	July 22, 2030
Production Filing Certificate for Class I Medical Devices (第一類醫療器械生產備案憑證)	1	October 16, 2023	N/A
Notice of Filing Number for Class I Medical Devices (第一類醫療器械備案編號告知書)	1	October 10, 2025	N/A
Customs Registration for Import and Export Consignor and Consignee (海關進出口貨物收發貨人備案)	7	April 28, 2012	N/A
		February 8, 2021	N/A
		November 14, 2023	N/A
		June 18, 2024	N/A
		June 21, 2024	N/A
		December 28, 2021	N/A
		December 18, 2024	N/A
Pollutant Discharge Permit (排污許可證)	2	November 14, 2024	November 13, 2029
		June 3, 2024	June 2, 2029

AWARDS AND RECOGNITIONS

During the Track Record Period, we had received awards and recognitions for the quality and popularity of our services and products. Some of the significant awards and recognitions we have received are set forth below.

Year	Award/Recognition	Issuing Authority
2026	National-Level Enterprise with Advanced Quality Management Capability (國家級質量管理能力高等級企業)	Ministry of Industry and Information Technology (工業和信息化部)
2025	National High-Tech Enterprise (國家高新技術企業)	Beijing Municipal Science and Technology Commission (北京市科學技術委員會); Beijing Municipal Finance Bureau (北京市財政局); Beijing Municipal Tax Service, State Taxation Administration (國家税務總局北京市税務局)
2025	Zhongguancun High-Tech Enterprise (中關村高新技術企業)	Administrative Committee of Zhongguancun Science Park (中關村科技園管理委員會)
2025	Specialized and New "Little Giant" Enterprise (專精特新"小巨人"企業)	Ministry of Industry and Information Technology
2025	Beijing Quality and Credibility Commitment Enterprise (北京質量信譽承諾企業)	Beijing Quality Association Quality Evaluation Center (北京質協質量評價中心)
2024	Intellectual Property Advantage Entity (知識產權優勢單位)	Beijing Municipal Intellectual Property Office (北京市知識產權局)
2023	Top 100 Beijing Specialized and New Enterprises (北京專精特新企業百強)	Beijing Enterprise Confederation; Beijing Entrepreneurs Association
2023	Top 100 Beijing Advanced and Sophisticated Enterprises (北京高精尖企業百強)	Beijing Enterprise Confederation; Beijing Entrepreneurs Association
2023	Postdoctoral Research Workstation (博士後科研工作站)	Ministry of Human Resources and Social Security and National Postdoctoral Management Committee (人力資源和社會保障部、全國博士後管委會)

INTELLECTUAL PROPERTY

We believe that our intellectual property rights are critical to our continued success and competitiveness. As of July 31, 2026, we had registered 246 trademarks, 53 patents, 27 software copyrights and two work copyrights in the PRC. As of the same date, we held three trademarks in the United States, three trademarks in the European Union, two trademarks in the United Kingdom and two trademarks in Switzerland. We also had two trademarks in Japan, two trademarks in South Korea, one trademark in India, one trademark in Singapore and one trademark in Canada. See "Appendix VI Statutory and General Information — B. Further Information about Our Business — 2. Intellectual Property Rights."

We have also engaged with other industry partners in safeguarding our intellectual property rights. During the Track Record Period, we entered into licensing agreements with third parties, pursuant to which we have obtained from leading biotechnology and pharmaceutical companies exclusive and non-exclusive license for the production and commercialization of certain of our products, including cell lines, antibodies, ELISA kits, labeled proteins, organoid products and coronavirus spike protein detection kits. All these licensed products are available for global exploitation. Most of our licensing arrangements are long-term, with validity tied to patent terms or no fixed expiration date, unless terminated in accordance with the agreement terms. For the fixed-term license expiring, we will determine our renewal strategy based on the then prevailing business conditions, market demand and commercial value. In 2023, 2024, 2025 and the seven months ended July 31, 2026, we cooperated with six, ten, 13 and 13 licensing parties, respectively, with revenue from the sales of licensed products of RMB10.2 million, RMB23.3 million, RMB52.6 million and RMB36.0 million, respectively.

The salient terms of the licensing agreements are set forth below:

- *License scope*: We obtain exclusive and non-exclusive licenses from leading biotechnology and pharmaceutical companies for the production and commercialization of certain products, with defined territory coverage, field of use restrictions and limitations on sub-licensing rights.
- *Use restrictions*: We are restricted from using the licensed patents outside the agreed field of use, territory, or for purposes other than production and commercialization of specified products without prior written consent from the licensor.
- *Intellectual property ownership*: Licensed patents and related know-how remain the sole property of the licensor. Any improvements we develop to the licensed technology, together with any patents we applied for based on such improvements as well as any resulting benefits, shall be owned by us.
- *Licensing fees and royalties*: The licensing agreements typically contain upfront payments, milestone payments, annual minimum payments, and running royalties based on net sales of licensed products.
- *Technology transfer*: Licensors usually provide technical documentation, know-how and technical assistance to facilitate our development and commercialization of licensed products during the initial transfer period.
- *Payment terms and arrangements*: We typically make payments by wire transfer within 30 to 60 days after invoice issuance. Royalty payments are generally made quarterly or semi-annually with accompanying sales reports.
- *Term and termination*: The terms of licensing agreements vary and range from one year to perpetuity, or until patent expiration, with provisions for early termination upon material breach or mutual agreement.

We have taken the following key measures to protect our intellectual property rights, including: (i) implementing a set of comprehensive internal policies to establish robust management over our intellectual property rights; (ii) timely registration, filing and application for ownership of our intellectual properties; (iii) actively tracking the registration and authorization status of intellectual properties and taking action in timely manner if any potential conflicts with our intellectual property rights are identified; and (iv) clearly stating all rights and obligations regarding the ownership and protection of intellectual properties in the employment agreements we enter into. We seek to protect our proprietary technologies and processes by entering into confidentiality arrangements with our Directors, senior management and R&D personnel. Our R&D personnel are also required to sign proprietary information agreements, which require such personnel to assign to us all inventions, designs and

technologies they develop during the course of employment with us and to keep our proprietary information confidential. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any material infringement of our intellectual properties or any material disputes or claims against us in relation to the infringement of intellectual properties of third parties arising from our business.

INSURANCE

As of the Latest Practicable Date, we primarily maintained medical insurance, maternity insurance and unemployment insurance for all of our employees. We also purchase commercial health insurance for our employees and senior management, accidental insurance for some of our production staff and purchased comprehensive travel insurance for our staff during overseas business travel. Our recombinant protein and antibody products are for research use only, applied in drug discovery, preclinical research and CMC development, and are not marketed as therapeutic products. With no risk of liability from adverse reactions or contamination related to human use, we do not maintain product liability insurance. We believe that our insurance coverage is adequate and, according to Frost & Sullivan, in line with industry practice. During the Track Record Period and up to the Latest Practicable Date, we had not made or been the subject of any material insurance claims. See "Risk Factors — Risks Relating to Our Business and Industry — We may not have adequate insurance coverage for potential losses and liabilities."

PROPERTIES

We own and lease properties in China and overseas. As of July 31, 2026, no single property interest that forms part of non-property activities had a carrying amount of 15%, and no single property interest that forms part of property activities had a carrying amount of 1%, of our total assets. Therefore, according to Chapter 5 of the Listing Rules and section 6 (2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Cap. 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 in relation to paragraph 34 (2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance which requires a valuation report with respect to all our Group's interests in land or buildings.

Owned Properties

As of July 31, 2026, we had one parcel of land in Suzhou, the PRC, with a gross floor area of 21,897.40 sq.m. for industrial use. As of July 31, 2026, we owned one property located in Suzhou, the PRC, with a gross floor area of 50,101.51 sq.m for industrial use.

Leased Properties

As of July 31, 2026, we leased one parcel of land with a gross floor area of 26,178.4 sq.m. in the PRC. As of July 31, 2026, We also leased five buildings with gross floor areas of more than 2,000 sq.m. in the PRC, representing an aggregate gross floor area of 13,471 sq.m. As of July 31, 2026, we also leased properties in overseas jurisdictions, including the United States, Switzerland, Germany and South Korea, with a total gross floor area of approximately 18,000 sq.m. These leased properties are primarily used for R&D, production, warehouse or office purposes.

Construction in Progress

As of July 31, 2026, we had one construction project in progress in Beijing. In 2025, we commenced construction of our R&D and production complex in the Beijing Economic-Technological Development Area to support the upgrading of our R&D and production capabilities and the expansion of integrated technical services. The Beijing complex has a planned gross floor area of approximately 64,690 sq.m. and is designed for production, R&D, marketing and office use. Positioned as our core

hub for advanced R&D, technology translation and higher-specification production, the complex is expected to further enhance our capabilities in the R&D and production of biological reagents and the provision of related technical services. Construction of the Beijing complex is expected to be completed in 2027.

LEGAL PROCEEDINGS AND COMPLIANCE

From time to time, we may become involved in legal proceedings in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, save as disclosed in "— Legal Proceeding" below we had not been and were not a party to any material legal, arbitral or administrative proceedings. During the Track Record Period and up to the Latest Practicable Date, we were not 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 and results of operations.

Our Directors are of the view that, the non-compliance incidents described below are not likely to have a material adverse effect on our business, financial condition or results of operations. During the Track Record Period and up to the Latest Practicable Date, we did not experience any non-compliance of the laws or regulations that, individually or in the aggregate, would have a material adverse effect on our business, or reflect negatively on the ability or propensity of our Company, our Directors or our senior management, to operate our business in a compliant manner. According to our PRC Legal Advisor, U.S. Legal Advisor, Swiss Legal Advisor, South Korean Legal Advisor, Germany Legal Advisor and the U.K. Legal Advisor, we had complied with applicable laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date.

Legal Proceeding

In August 2026, we received a notice of a legal proceeding (the "**Litigation**") before the Dongguan First People's Court of Guangdong Province by a plaintiff (the "**Plaintiff**") against our Company, Mr. Chen Yiding, our Chairman and executive Director, Mr. Miao Jingyun and Ms. Qu Wenting, each being an executive Director, as well as certain other individuals (collectively, the "**Defendants**") in relation to a dispute over liability for infringement of shareholders' interests. The Plaintiff sought damages of a total of RMB20.0 million (the "**Damages**") and relevant litigation costs against the Defendants. The Litigation arose from the Plaintiff's investments in two companies which the Defendants were allegedly involved or related, and certain assets, personnel and technical achievements of which have been allegedly transferred to, assumed by or otherwise utilized by our Group, and that, as a result, he did not receive the economic benefits and returns that he claimed should have accrued to him as a shareholder and investor of such two companies.

Our Company and relevant Directors had engaged a litigation legal advisor (the "**Litigation Counsel**") to defend against the Plaintiff's claims. As of the Latest Practicable Date, the Litigation remained ongoing and had not been decided. Our Directors are of the view that the Litigation is not expected to have any material adverse effect on the Group's business, financial condition or results of operations, considering: (i) based on discussions with our Litigation Counsel, and in light of the evidence currently provided by the Plaintiff, we believe that there are material procedural and substantive deficiencies in the Plaintiff's claims and the likelihood of the Defendants ultimately being held liable for the Damages is remote, and (ii) the Damages, even at the maximum amount, represented an amount equivalent to only 0.8% of our net assets as of July 31, 2026. Based on the discussion with the Litigation Counsel, our PRC Legal Advisor is of the view that the Litigation is not expected to have a material adverse impact on our business, financial condition or results of operations. Having evaluated the status, merits and probable outcomes of the Litigation, no provision is made in respect of the Litigations as of the Latest Practicable Date. Each of the Defendants has not admitted being liable for the matters alleged by the Plaintiff in the Litigation.

Legal Compliance

Engagement of Third-Party Human Resources Agencies to Pay Social Insurance and Housing Provident Funds

During the Track Record Period, we engaged third-party human resources agencies to pay social insurance and housing provident funds with the amount required by the relevant laws and regulations for a small portion of our employees, mainly because such employees work in a number of cities across the PRC where we did not set up legal entities to pay social insurance premium or housing provident fund for them locally. As of July 31, 2026, we had ceased engaging third-party human resources agencies to make social insurance and housing provident fund contributions for a small portion of our employees, and all such contributions had since been made directly by us or our PRC subsidiaries and branches in accordance with applicable PRC laws and regulations.

As advised by our PRC Legal Advisor,

(i) if the contributions to social insurance premium made through the accounts of third-party human resources agencies are not deemed by the relevant authorities as the contributions made by us, we may be ordered by the competent PRC government authority to pay the outstanding balance within a prescribed period of time and a late fee of 0.05% of the total outstanding balance per day from the date of such failure of payment. If we fail to do so within the prescribed period, we may be subject to an additional fine ranging from one to three times of the total outstanding balance; and

(ii) if the contributions to housing provident fund made through the accounts of third-party human resources agencies are not deemed by the relevant authorities as the contributions made by us, we may be ordered by the competent PRC government authorities to rectify within a prescribed time limit. If we fail to do so within the prescribed period, we may be subject to a fine of not less than RMB10,000 but not more than RMB50,000.

Our Directors believe that such non-compliance would not have a material adverse effect on our business and results of operations, considering that (i) as advised by our PRC Legal Advisor, the relevant risk of us being subject to material penalties as a result of paying the social insurance premium or housing provident fund through third-party agencies is remote, the likelihood that we will be subject to centralized collection of historical arrears and any material penalties due to our failure to provide social insurance premiums and housing provident fund contributions in full to all of our full-time employees is remote, and there is no material legal impediment arising from such non-compliance in connection with the **[REDACTED]** and the **[REDACTED]**; (ii) as of the Latest Practicable Date, we had not received any notification from the relevant PRC authorities requiring us to make any additional social insurance and housing provident fund beyond those already paid through third-party human resources agencies; (iii) we were neither aware of any employee complaints filed against us nor involved in any labor disputes with our employees with respect to the payment of social insurance or housing provident fund through third party agencies during the Track Record Period and up to the Latest Practicable Date; and (iv) we had made sufficient contribution to social insurance and housing provident funds with the amount required by the relevant laws and regulations through third-party human resources agencies during the Track Record Period. As a result, we did not make any provisions in connection with such non-compliance during the Track Record Period and up to the Latest Practicable Date.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

We are dedicated to integrating Environmental, Social and Governance ("**ESG**") considerations into our corporate strategy and daily operations. We believe that a strong commitment to sustainable development is fundamental to our long-term success.

Governance Regarding Environmental, Social and Climate-related Risks

Our Board holds the ultimate responsibility for overseeing our ESG strategy, policies and performance. Our Board is responsible for the discussion, evaluation and approval of the annual ESG report in the first half of each year. The ESG committee shall provide reports to the Board from time to time as appropriate based on actual circumstances. The Board has established a robust corporate governance structure to ensure effective decision-making and oversight. This framework ensures that ESG considerations are embedded in our strategic planning and risk management processes. We will conduct ESG issue identification by developing a stakeholder survey questionnaire and inviting stakeholders to complete it. Our directors and senior management shall also complete the questionnaire. Following the collection of survey results and the update of the ESG material topics matrix, the Board shall review and confirm the outcomes. We recognize our exposure to climate-related risks, which we categorize into transition risks and physical risks, and have developed targeted strategies to address them. During the Track Record Period and up to the Latest Practicable Date, our Group had not been subject to any material fines or penalties for the violation of environmental or safety laws that would have a material adverse impact on our business and financial condition, and thus our Directors are of the view that the Group was in compliance with ESG-related laws and regulations in the jurisdictions where it operated during the Track Record Period and up to the Latest Practicable Date.

Environmental Protection and Monitoring

We are committed to minimizing our environmental footprint and operating in an environmentally responsible manner. We have implemented a comprehensive environmental management system certified under the ISO 14001 standard and have formulated detailed internal policies, including Environment, Health and Safety Management Manual and Environmental Operation Monitoring Manual. In 2023, 2024, 2025 and the seven months ended July 31, 2026, our total investment in environmental protection amounted to RMB0.8 million, RMB5.5 million, RMB2.0 million and RMB1.0 million, respectively.

Our Environmental Protection Measures

Our production process generates wastewater, air emissions, solid waste and noise. We have adopted the following specific measures to ensure our emissions comply with or exceed relevant national and local standards. For wastewater, we inspect drainage, operate a classified treatment system, conduct internal and third-party monitoring and adopt rainwater-wastewater diversion and anti-leakage measures. For air emissions, we install exhaust and malodorous gas treatment facilities and arrange regular third-party monitoring. For solid waste, we classify waste types, establish disposal measures and implement an inbound-outbound management system with full tracking for hazardous waste. For noise, we select low-noise equipment, apply damping, sound insulation and layout optimization, provide employee protection and conduct quarterly third-party noise monitoring.

Our Environmental Protection Performance

We systematically monitor our environmental performance to track our progress in resource efficiency and emissions reduction. The table below sets forth our key environmental performance data for the Track Record Period.

	For the year ended December 31,			For the seven months ended July 31,
Item	**2023**	**2024**	**2025**	**2026**
Energy Consumption:				
Gasoline Consumption *(Liters)*	2,368.00	2,368.00	3,491.80	1,918.27
Diesel Consumption *(Liters)*	—	—	200.00	50.00
Electricity Consumption *(kWh)*	5,167,942.66	11,791,587.06	11,990,492.47	7,267,677.56
Water Consumption *(Cubic meter)*	15,561.00	75,181.00	108,285.00	61,643.00
Greenhouse Gas (GHG) Emissions:				
Total GHG Emissions (Scope 1 + Scope 2 + Scope 3) *(tons CO_2)*	5,274.52	10,783.42	15,208.69	9,039.24
Scope 1 Emissions *(tons CO_2)*	844.24	1,579.18	3,784.97	2,107.52
Scope 2 Emissions (Location-based) *(tons CO_2)*	3,650.92	7,949.16	10,000.12	6,049.83
Scope 3 (Category 3, 5, 6, 7) Emissions *(tons CO_2)*	779.36	1,255.08	1,423.60	881.89
Total GHG Intensity *(tons CO_2-e/RMB million revenue)*	9.70	16.72	18.15	14.91
Waste and Water Generation:				
Hazardous Waste:				
Hazardous Waste Generated *(tons)*	51.84	114.09	205.82	98.77
Hazardous Waste Intensity *(tons/RMB million revenue)*	0.10	0.18	0.25	0.16
Non-hazardous Waste:				
Non-hazardous Waste Generated *(tons)*	46.89	64.61	76.29	53.01
Non-hazardous Waste Intensity *(tons/RMB million revenue)*	0.09	0.10	0.09	0.09

Our Emissions Targets

In line with China's national "Dual Carbon" goals, we are committed to reducing our environmental impact. We plan to establish quantitative reduction targets for our greenhouse gas emission. We will continue to implement energy-saving measures, such as upgrading to more efficient equipment, optimizing production schedules to reduce idle machinery and promoting green office practices. We will also enhance our water conservation efforts by expanding our use of water-saving fixtures and maximizing water recycling.

Supply Chain Management

We have established a standardized and scientific supplier management system. Our selection process requires suppliers to possess all necessary legal and quality certifications, and we give preference to suppliers who demonstrate strong performance in environmental protection, social responsibility and safety management.

Business Ethics and Compliance

We are committed to upholding the highest standards of business ethics and operating with integrity in all our activities. During the Track Record Period and up to the Latest Practicable Date, we were not involved in any material legal cases or disciplinary actions related to corruption, bribery, or anti-competitive behavior.

Occupational Health and Work Safety

We have established a robust occupational health and safety management system, which is certified under the ISO 45001 standard. Our safety measures include: (i) we are dedicated to creating a comprehensive safety risk map of our facilities to identify high-risk areas (such as chemical storage rooms) and implementing stringent daily, quarterly and special inspection protocols; (ii) we conduct regular health examinations for employees exposed to occupational hazards, maintain comprehensive health files and post clear risk notices at all relevant workstations; and (iii) we conduct regular safety training and awareness campaigns, such as emergency drills, including for biological safety incidents, chemical spills and fire evacuations, to ensure our employees are prepared to respond effectively to emergencies. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material safety accidents or receive any material penalties for violations of occupational health and safety regulations.

Corporate Social Responsibility

We are committed to leveraging our scientific expertise to create positive and lasting social value. In 2023, 2024, 2025 and the seven months ended July 31, 2026, our charitable contributions and donations were RMB380,000, RMB600,000, RMB646,000 and RMB315,000, respectively.

Employee Care

We adhere to the principles of diversity and inclusion, and we are committed to the development of an equal and diverse employment environment while continuously optimizing our staffing structure to maintain our internal and external competitiveness. The table below sets forth the composition of our total workforce in terms of gender, age and expertise as of July 31, 2026.

Type		As of July 31, 2026
Gender	Male	342
	Female	649
Age	>50	6
	30 ≤ 50	574
	≤30	411
Expertise	Senior management	14
	Mid-level management	133
	Staff	844

DATA PRIVACY AND SECURITY

We are committed to ensuring data privacy and information security. We typically collect, store and process personal and non-personal data. We gather non-sensitive personal information from corporate contacts to deliver bioreagent products and solutions, and collect personal data from employees and applicants for human resource management. For non-personal data, we hold experimental data, production and quality control data ensuring compliance with GMP and ISO standards, as well as R&D technical data related to protein development and platform optimization. Certain of our data is stored on local servers located in Beijing, while the remainder is hosted on public

cloud platforms. When collecting customer information, we require our employees to adopt reasonable methods, such as formulating separate informed consent documents, to inform customers of the purpose, method and scope of the collection and use of their personal information that may be involved, and obtain their consent. We adhere to the principle of data minimization regarding storage duration, setting appropriate retention periods based on actual business needs. Data exceeding these storage periods is either deleted or anonymized. The personal information we collect is encrypted or desensitized. During the Track Record Period and up to the Latest Practicable Date, except for limited cross-border transmission of certain business information arising from our global operations, our business operations did not involve any other cross-border data transmission. As advised by our PRC Legal Advisor, we are not required to file a data export security assessment, enter into a standard personal information export contract, or obtain personal information protection certification for our existing data export scenarios.

We have established a series of policies and systems, including but not limited to the Database Management Policy, Personal Information Protection Policy, Personal Information Security Incident Handling Policy, Data Classification and Grading Policy, Third-Party Data Security Management Policy and Internet Information Content Security Management Policy, which set out our internal control measures relating to data privacy and security, including (i) implementing hierarchical management of database user access rights, with the Data Resources and Information Department responsible for approving and processing user authorization, access right changes and deregistration; (ii) backing up databases at least weekly and critical business databases at least daily, with database administration, maintenance, backup and restoration performed independently by database administrators; and (iii) restricting access to the computer room where database equipment is located to authorized personnel of the Data Resources and Information Department and personnel approved by such department. We have engaged an independent internal control consultant to conduct a review of selected areas of our internal controls, covering: (i) data protection policies; (ii) internal control policies and procedures relating to data security; and (iii) access and security controls. Based on the findings of the aforesaid review, no material internal control deficiencies were identified by the internal control consultant.

As advised by our PRC Legal Advisor, we are not obligated to proactively file for a cybersecurity review. We will closely monitor legislative developments concerning cybersecurity, data security and personal information protection, including the Measures for Cybersecurity Review, make corresponding compliance preparations, and promptly rectify and optimize the implementation of cybersecurity compliance measures to meet regulatory requirements.

RISK MANAGEMENT AND INTERNAL CONTROL

Internal Control

We have engaged an internal control consultant to perform certain agreed-upon procedures in connection with the internal control of our Company and our major subsidiaries and to report factual findings on our Group's entity-level controls and internal controls of various processes, including environment of control, risk assessment, information and communication, internal control, financial reporting and disclosure controls, sales, accounts receivable and collection, procurement, accounts payable and payment, inventory, logistics and cost management, management of fixed assets and intangible assets, human resources and payroll management, cash and treasury management, taxation management, project management, general controls of IT system (including protection of data and privacy), R&D management, insurance management, production management, health, safety and environment protection and contract management. As of the Latest Practicable Date, there was no material issue remaining in relation to the internal controls of our Group.

We have adopted various measures and procedures regarding of our operations, such as protection of intellectual property, environmental protection and occupational health and safety. We provide periodic training on these measures and procedures to our employees as part of our employee training

program. We also regularly monitor the implementation of those measures and procedures through our internal control personnel. Our Directors, with assistance from our legal advisors, will periodically review our compliance with all relevant laws and regulations after the **[REDACTED]**.

Below is a summary of the internal control policies, measures and procedures we have implemented or plan to implement:

- We have established the Audit Committee, which shall be responsible to review and supervise our financial reporting process and internal control system of our Group, oversee the audit process, risk management process and external audit functions. See "Directors and Senior Management — Board Committees — Audit Committee."
- We [have engaged] Alliance Capital Partners Limited as our compliance adviser to provide advice to our Directors and management team until the end of the first fiscal year after the **[REDACTED]** regarding matters relating to the Listing Rules. Our compliance adviser is expected to ensure our use of funding complies with the section headed "Future Plans and Use of **[REDACTED]**" in this document after the **[REDACTED]**, as well as to provide support and advice regarding requirements of relevant regulatory authorities in a timely fashion.
- We plan to engage a PRC law firm to advise us on and keep us abreast with the PRC laws and regulations after the **[REDACTED]**. We will continue to arrange various trainings to be provided by external legal advisors from time to time when necessary and/or any appropriate accredited institution to update our Directors, senior management and relevant employees on the latest PRC laws and regulations.
- We have formulated responsibility statements that assign compliance, legal and international business support functions to the Risk Management Department ("**RMD**"). We have implemented a series of internal control measures to ensure ongoing compliance with the PRC laws and regulations and the laws and regulations of other jurisdictions where we conduct material operations, including but not limited to: (1) the RMD identifying, classifying and prioritizing core compliance risks in relation to our overseas business, formulating and implementing preventive or remedial proposals and plans; (2) the RMD conducting annual compliance reviews of our overseas subsidiaries; and (3) the RMD monitoring on a dynamic basis key overseas regulations applicable to our overseas business and issuing compliance guidelines. Meanwhile, the Global Business Support Department is responsible for our global supply chain management, covering import and export customs affairs, as well as global warehousing and logistics management, to ensure compliance with our import and export policies, and provides comprehensive support for business communication and implementation for our overseas teams.

Risk Management

We recognize that risk management is critical to the success of our business operation. Key operational risks faced by us include changes in the general market conditions and the applicable regulatory environment, our ability to offer quality services, our ability to manage our anticipated growth and to execute on our growth strategies, and our ability to compete with our competitors.

We have established a risk management system consisting of the relevant policies and procedures that we believe are appropriate for our business operations. Pursuant to our risk management policy, our key risk management objectives include: (i) identifying different types of risks; (ii) assessing and prioritizing the identified risks; (iii) developing appropriate risk management strategies for different types of risks; (iv) identifying, monitoring and managing risks and our risk tolerance level; and (v) execution of risk response measures. Our Board oversees and manages the overall risks associated with our business operations. Moreover, our audit committee will review and supervise our financial reporting process and internal controls system.

BOARD OF DIRECTORS

Our Board is responsible and has general powers for the management and conduct of our business. Our Board consists of seven Directors, including three executive Directors, one non-executive Director and three independent non-executive Directors. The following table sets forth key information about our Directors.

Name	Age	Position	Time of joining our Group	Time of appointment as a Director	Roles and responsibilities	Relationship with other Directors and senior management
Mr. Chen Yiding (陳宜頂).	49	Chairman, executive Director and general manager	March 2011	March 2011	Responsible for the overall management and strategic planning of our Group	Mr. Miao and Mr. Chen are parties acting-in-concert
Mr. Miao Jingyun (苗景贇).	48	Executive Director and deputy general manager	February 2012	June 2020	Responsible for the R&D of our Group	Mr. Miao and Mr. Chen are parties acting-in-concert
Ms. Qu Wenting (屈文婷).	39	Executive Director, employee representative Director and deputy director of administration	May 2011	September 2025	Responsible for the administrative affairs of our Group	None
Ms. Li Yang (李楊) . .	36	Non-executive Director	June 2020	August 2023	Responsible for providing professional opinion and judgment to the Board	None
Ms. Zhao Peiyi (趙佩懿).	50	Independent non-executive Director	July 2026	July 2026	Responsible for supervising and providing independent judgment to our Board	None
Mr. Cui Yuxuan (崔郁軒).	47	Independent non-executive Director	July 2026	July 2026	Responsible for supervising and providing independent judgment to our Board	None
Ms. Wu Fengting (吳鳳廷).	41	Independent non-executive Director	July 2026	July 2026	Responsible for supervising and providing independent judgment to our Board	None

Executive Directors

Mr. Chen Yiding (陳宜頂), aged 49, is one of our founders and has been the Chairman and general manager of our Company since March 2011. Mr. Chen is responsible for the overall management and strategic planning of our Group. Before he founded our Group, Mr. Chen has worked in various biotechnology companies from 2003 to 2011, including Sino Cell Engineering Co., Ltd.* (神州細胞工程有限公司), Hong Kong Yingjie Life Technology Co., Ltd. Beijing Office (香港英杰生命技術有限公司北京辦事處), and Thermo Fisher Biochemical Products (Beijing) Co., Ltd.* (賽默飛世爾生物化學製品(北京)有限公司). Mr. Chen has been a director of ACROBio US since June 2013, a director

of ACROBio HK since December 2016, a director of ACROBio Ltd since September 2021, an executive director of Suzhou ACROBio since December 2021, a director of ACROBio AG since January 2022, a director of ACROBio Corp since May 2022, an executive director of Kentuo Investment since June 2022, an executive director and general manager of Suzhou XWX since March 2023, a director of ACROBio Inc since December 2023 and a director of ACROBio SG since September 2024. Mr. Chen obtained his master's degree in bioengineering from Shaanxi University of Science and Technology (陝西科技大學) in June 2003 and his master of business administration from China Europe International Business School (中歐國際工商學院) in the PRC in July 2024.

Mr. Miao Jingyun (苗景贇), aged 48, is one of our founders and has been a Director of our Company since June 2020. Mr. Miao was awarded an intermediate professional title by the Intermediate Professional Technical Position Evaluation Committee* (中級專業技術職務評審委員會) in December 2005. Mr. Miao served as a product specialist (產品專家) at General Electric (China) Co., Ltd.* (通用電氣(中國)有限公司) from December 2007 to January 2009 and a product specialist (產品專家) and product manager at GE Healthcare Systems Trade Development (Shanghai) Co., Ltd.* (通用電氣醫療系統貿易發展(上海)有限公司) from February 2009 to December 2011. Since February 2012, Mr. Miao has been deputy general manager of our Company and its predecessor. Mr. Miao obtained his master's degree in bioengineering from Beijing University of Chemical Technology (北京化工大學) in the PRC in March 2003.

Ms. Qu Wenting (屈文婷), aged 39, has been a Director of our Company since September 2025. Ms. Qu joined our Company in May 2011 and is now the deputy director of administration of our Company. Ms. Qu has been concurrently serving as a supervisor of Hangzhou Taopu Technology since October 2019, a supervisor of ACRO Diagnostics since January 2021, a supervisor of Suzhou ACROBio since December 2021, a supervisor of Kentuo Investment since June 2022, and a supervisor of Suzhou XWX since March 2023. Ms. Qu obtained her bachelor's degree in human resource management from Capital Normal University (首都師範大學) in the PRC in July 2009.

Non-executive Directors

Ms. Li Yang (李楊), aged 36, has been a Director of our Company since August 2023. Ms. Li successively worked as medical chief editor at Beijing Xieli Zhucheng Financial Information Services Co., Ltd. (36Kr)* (北京協力築成金融信息服務股份有限公司(36氪)) from March 2014 to October 2015 and a medical investment and financing consultant at Beijing Xieli Zhucheng Financial Information Services Co., Ltd.* from October 2015 to March 2016. She has been working at Zhejiang Puhuatianqin Equity Investment Management Limited Corporation* (浙江普華天勤股權投資管理有限公司) since March 2016 and is now a partner there. From June 2020 to August 2023, Ms. Li served as a supervisor of our Company. Ms. Li obtained her master's degree in literature from University of East Anglia in January 2014.

Independent non-executive Directors

Ms. Zhao Peiyi (趙佩懿), aged 50, has been an independent non-executive Director of our Company since July 16, 2026. Ms. Zhao is a Fellow of CPA Australia and a Fellow Chartered Management Accountant in the United Kingdom. From June 2018 to May 2020, she served as the finance director of the global business department and the finance head at Corning Display Technologies (China) Co., Ltd. Shanghai Branch (康寧顯示科技(中國)有限公司上海分公司). From December 2020 to August 2024, she served as the financial director for the Asia Pacific region at SIG Combibloc (Suzhou) Co., Ltd. Shanghai Branch (康美包(蘇州)有限公司上海分公司). Ms. Zhao has been working at STULZ Air Technology and Services Shanghai Co., Ltd (世圖茲空調技術服務(上海)有限公司) which is affiliated with STULZ GmbH since October 2024 and is currently serving as its chief

financial officer, Greater China. Ms. Zhao obtained her master's degree in accounting from Macquarie University in Australia in September 2005. She further obtained her master's degree in business administration from China Europe International Business School (中歐國際工商學院) in the PRC in July 2024.

Mr. Cui Yuxuan (崔郁軒), aged 47, has been an independent non-executive Director of our Company since July 16, 2026. Mr. Cui has been serving as the chairman of the board and general manager of Hannto Technology Co., Ltd. (上海漢圖科技有限公司) since March 2017. Mr. Cui obtained his master's degree in mechanical engineering from Hubei University of Technology (湖北工業大學) in the PRC in June 2011. He further obtained his master's degree in business administration from China Europe International Business School (中歐國際工商學院) in the PRC in December 2023.

Ms. Wu Fengting (吳鳳廷), aged 41, has been an independent non-executive Director of our Company since July 16, 2026. Ms. Wu has been acting as the president of China Asia Pacific of Albaugh Asia Pacific Limited since September 2023. From 2014 to 2023, she worked at other Albaugh affiliates, holding several key positions including group procurement director and vice president for China and Asia Pacific. Ms. Wu obtained her master's degree in business administration from Anhui University (安徽大學) in the PRC in June 2019. She is currently enrolled in Global Executive MBA program at China Europe International Business School (中歐國際工商學院) in the PRC.

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management of our business. The following table sets forth general information regarding our senior management.

Name	Age	Position	Time of joining our Group	Time of appointment as a senior manager	Roles and responsibilities	Relationship with Directors and other senior management
Mr. Chen Yiding (陳宜頂)	49	Chairman, executive Director and general manager	March 2011	March 2011	Responsible for the overall management and strategic planning of our Group	Mr. Miao and Mr. Chen are parties acting-in-concert.
Mr. Miao Jingyun (苗景贇)	48	Executive Director and deputy general manager	February 2012	February 2012	Responsible for the R&D of our Group	Mr. Miao and Mr. Chen are parties acting-in-concert.
Mr. Lin Tao (林濤)	36	Head of finance, deputy general manager and Board secretary	October 2019	October 2019	Responsible for the overall financial operations and corporate governance of our Group	None
Ms. Huang Xu (黃旭)	49	Deputy general manager	November 2019	November 2019	Responsible for developing and implementing sales strategies, plans and policies	None
Ms. Chen Xiamin (陳霞敏)	50	Deputy general manager	September 2015	November 2021	Responsible for the business operation of ACROBio US	None

Name	Age	Position	Time of joining our Group	Time of appointment as a senior manager	Roles and responsibilities	Relationship with Directors and other senior management
Mr. Yuan Jun (袁軍).	49	Deputy general manager	June 2026	August 2026	Responsible for the strategic planning and development of antibody R&D and bioanalytical technology platform	None
Ms. Li Xiaoli (李曉麗).	44	Deputy general manager	August 2025	August 2026	Responsible for our AI strategic planning and digital-intelligent solutions business	None

For biography of Mr. Chen Yiding (陳宜頂) and Mr. Miao Jingyun (苗景贇), see "— Board of Directors" above in this section.

Mr. Lin Tao (林濤), aged 36, has been our head of finance since October 2019, and our deputy general manager and Board secretary since June 2020. Mr. Lin is a non-practicing member of the Chinese Institute of Certified Public Accountants and a member of Hong Kong Institute of Certified Public Accountants and holds the Legal Professional Qualification Certificate of China as well as the Board Secretary Qualification Certificate from the Shenzhen Stock Exchange. Mr. Lin was awarded the title of "19th New Fortune Gold Medal Board Secretary*" (新財富金牌董秘) and the title of "2025 New Fortune Magazine Best Board Secretary*" (新財富雜誌最佳董秘). Prior to joining our Company, Mr. Lin worked at Baker Tilly International Certified Public Accountants LLP (天職國際會計師事務所(特殊普通合夥)) from July 2011 to September 2019. He then joined our Company as the chief financial officer in October 2019. Mr. Lin has concurrently served as executive director and general manager of Hangzhou Taopu Technology since May 2022. Mr. Lin has been an independent non-executive director of Dynamiker Biotechnology (Tianjin) Co., Ltd (丹娜(天津)生物科技股份有限公司), a company listed on Beijing Stock Exchange, stock code: 920009) since June 2023. Mr. Lin obtained his master's degree in business administration from Tsinghua University (清華大學) in the PRC in June 2020.

Ms. Huang Xu (黃旭), aged 49, has been our deputy general manager of sales and marketing since November 2019. Ms. Huang is qualified as mid-level engineer in November 2007. Prior to joining our Group, Ms. Huang served as a technical support at Dyno Biotechnology (Beijing) Co., Ltd.* (戴諾生物技術(北京)有限公司) from April 2008 to February 2009. Ms. Huang acted as a Director from August 2023 to September 2025. Ms. Huang obtained her doctoral degree in microbiology from the Wuhan Institute of Virology, Chinese Academy of Sciences (中國科學院武漢病毒研究所) in the PRC in July 2005.

Ms. Chen Xiamin (陳霞敏), aged 50, has been our deputy general manager since November 2021. Ms. Chen served as a financial analyst and a sales support specialist at Thermo Fisher Scientific Inc. (賽默飛世爾科技公司) from May 2004 to March 2014 and a client manager at GE Healthcare (GE醫療集團) from March 2014 to September 2015. Since September 2015, Ms. Chen has been responsible for North American operations for our Company. Ms. Chen obtained her master's degree in business administration from University of Utah in the United States in May 2004.

Mr. Yuan Jun (袁軍), aged 49, has been our deputy general manager since August 2026 and the general manager of digital intelligence solutions since June 2026. From November 2018 to May 2026, Mr. Yuan worked as the vice president for business development of East Asia at IDeals Business Technology Solutions (Shanghai) Co., Ltd. (火漆信息技術(上海)有限公司). Mr. Yuan obtained a

master's degree from Shanghai Jiao Tong University (上海交通大學) in the PRC in December 2007. He further obtained a master's degree in business administration from China Europe International Business School (中歐國際工商學院) in the PRC in April 2024.

Ms. Li Xiaoli (李曉麗), aged 44, has been our deputy general manager since August 2026 and the vice president for the R&D of bioanalytical solutions since August 2025. From August 2010 to December 2014, Ms. Li conducted postdoctoral research at the University of Louisville and Cincinnati Children's Hospital Medical Center in the United States. Ms. Li served at Abcam Limited from May 2015 to July 2025, where her career comprised two consecutive roles. From May 2015 to November 2023, she was employed as a principal scientist by Abcam (Hangzhou) Biotechnology Co., Ltd. (宜康(杭州)生物技術有限公司), a wholly-owned subsidiary of Abcam Limited in China. From November 2023 to July 2025, she served as director of antibody research and development at Abcam Limited's research and development center in Waltham, the United States. Ms. Li obtained a doctoral degree from the National Institute for Viral Disease Control and Prevention of the Chinese Center for Disease Control and Prevention (中國疾病預防控制中心病毒病預防控制所) in June 2010.

JOINT COMPANY SECRETARIES

Mr. Lin Tao and Ms. Chan Wing Yan are the joint company secretaries of our Company. For biography of Mr. Lin Tao, see "— Senior Management" above in this section.

Ms. Chan Wing Yan (陳詠欣) was appointed as the joint company secretary of our Company on August 27, 2026 with effect from the **[REDACTED]**. Ms. Chan is a seasoned professional with over 8 years of extensive experience in company secretarial practice and corporate governance fields. She currently serves as a member of the Entity Solutions Department at Computershare Hong Kong Investor Services Limited.

Ms. Chan graduated from Monash University in Australia, with a bachelor of business and commerce degree. She is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

BOARD COMMITTEES

Audit Committee

We established an Audit Committee pursuant to a resolution of our Directors passed on June 6, 2020, with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3.3 of the Corporate Governance Code. The primary duties of the Audit Committee are to make recommendations to our Board on the appointment and removal of external auditor, and to assist our Board in fulfilling its oversight responsibilities in relation to our Group's financial reporting, internal control structure, risk management processes and external audit functions, and corporate governance responsibilities. The Audit Committee of our Company consists of three members, being Ms. Zhao Peiyi, Ms. Wu Fengting and Ms. Li Yang, and Ms. Zhao Peiyi is the chairwoman of our Audit Committee.

Remuneration and Appraisal Committee

We established a Remuneration and Appraisal Committee pursuant to a resolution of our Directors passed on June 6, 2020, with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1.2 of the Corporate Governance Code. The primary duties of the Remuneration and Appraisal Committee are to evaluate and make recommendations to our Board on the overall remuneration policy and structure relating to all Directors and senior management of our Group, review performance-based remuneration and ensure none of our Directors determine their own remuneration.

The Remuneration and Appraisal Committee consists of three members, being Ms. Wu Fengting, Mr. Miao and Ms. Zhao Peiyi, and Ms. Wu Fengting is the chairwoman of our Remuneration and Appraisal Committee.

Nomination Committee

We established a Nomination Committee pursuant to a resolution of our Directors passed on June 6, 2020, with written terms of reference in compliance with Rule 3.27A of the Listing Rules and paragraph B.3.1 of the Corporate Governance Code. The primary duties of the Nomination Committee are to make recommendations to our Board regarding candidates to fill vacancies on the Board. The Nomination Committee consists of three members, being Mr. Cui Yuxuan, Mr. Chen and Ms. Wu Fengting, and Mr. Cui Yuxuan is the chairman of our Nomination Committee.

Strategy Committee

We established a Strategy Committee pursuant to a resolution of our Directors passed on June 6, 2020, with written terms of reference. The primary duties of the Strategy Committee are to conduct regular reviews of our operational objectives and medium- to long-term development strategies in light of our business performance and changes in market conditions, and provide recommendations accordingly. The Strategy Committee consists of five members, being Mr. Chen, Mr. Miao, Ms. Qu Wenting, Ms. Li Yang and Mr. Cui Yuxuan, and Mr. Chen is the chairman of our Strategy Committee.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our Company's business which would require disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in December 2025 or September 2026 (as the case may be), and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his or her independence as regards each of the factors referred to in Rule 3.13 (1) to (8) of the Listing Rules, (ii) he or she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his/her independence at the time of his or her appointments.

Rule 13.51(2) of the Listing Rules

Save as disclosed above, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, as of the Latest Practicable Date, none of our Directors and senior managers (i) had any other relationship with any Director, senior management or substantial or Controlling Shareholders of our Company; and (ii) held any other directorships in the three years prior to the Latest Practicable Date in any public companies the securities of which are listed on any securities market in Hong Kong and/or overseas.

Save as disclosed in "Substantial Shareholders" and "Statutory and General Information — C. Further Information about our Directors and Substantial Shareholders — 1. Disclosure of Interests," in Appendix VI to this document, as of the Latest Practicable Date, none of our Directors held any interest in the securities within the meaning of Part XV of the SFO.

There are no other matters with respect to the appointment of our Directors that need to be brought to the attention of our Shareholders and the Stock Exchange or shall be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

REMUNERATION

Our Directors and senior management receive their remuneration in the form of basic payments and/or performance-related payments, including fees, salaries, bonuses, allowances, benefits in kind, retirement scheme contributions and share-based payments. For details of the service contracts that we have entered into with our Directors, see "C. Further Information About Our Directors and Substantial Shareholders — 2. Particulars of the Directors' Service Contracts" in Appendix VI to this document.

Further information on the remuneration of our Directors and/or the five highest paid individuals during the Track Record Period is set out in the Accountants' Report in Appendix I to this document, and in "C. Further Information About Our Directors and Substantial Shareholders — 3. Remuneration of Directors" in Appendix VI to this document. Save as disclosed, the Directors are not entitled to receive any other special benefits from our Company. The compensation of the Directors is determined by the Board which will receive recommendations from the Remuneration and Appraisal Committee which will take into account applicable laws, rules and regulations. During the Track Record Period, no emoluments were paid by our Group to any Director or any of the five highest paid individuals as an inducement to join or upon joining our Group or as a compensation for loss of office. None of our Directors had waived any remuneration during the Track Record Period.

CORPORATE GOVERNANCE

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company intends to comply with the Corporate Governance Code and the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules after the **[REDACTED]**.

Pursuant to paragraph C.2.1 of Part 2 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from, the requirement that the responsibilities between chairman and chief executive should be segregated and should not be performed by the same individual. We do not have a separate chairman and chief executive, and Mr. Chen currently performs the roles of the chairman of our Board and the general manager of our Company. Mr. Chen has assumed the roles of chairman of our Board and general manager since March 2011. He has extensive experience in the business operations and management of our Group. Our Board believes that, in view of his experience, personal profile and his roles in our Company as mentioned above, Mr. Chen is the Director best suited to identify strategic opportunities and the focus of the Board due to his extensive understanding of our business. The Board also believes that vesting the roles of both chairman of the Board and general manager of the Company in the same person has the benefit of (i) ensuring consistent leadership within the Group, (ii) enabling more effective and efficient overall strategic planning and streamlining the execution of strategic initiatives of the Board, and (iii) facilitating the flow of information between the management and the Board for the Group. The Board considers that the balance of power and authority in the present arrangement is not compromised, given the size of the Board, contributions from the robust senior management team, and believes that this arrangement will enable the Company to make and implement decisions promptly and effectively. The Board will continue to consider splitting the roles of chairman of the Board and general manager of the

Company at an appropriate time, taking into account the circumstances of the Group as a whole. Save as disclosed in this section, our Directors consider that we will comply with all applicable code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules upon **[REDACTED]**.

BOARD AND WORKFORCE DIVERSITY POLICY

We [have] adopted a board and workforce diversity policy (the "**Diversity Policy**") which sets out the approach to achieve and maintain an appropriate balance of diverse perspectives of our Company that are relevant to our business growth.

Pursuant to our Diversity Policy, selection of Board candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to our Board.

Our Directors have a balanced mix of knowledge and skills, including overall management and strategic development, business operation and accounting and financial management. We have three independent non-executive Directors who have different industry backgrounds, representing more than one-third of our Board members. Currently, four of our Directors are female. Our Company has reviewed the membership, structure and composition of our Board, and is of the opinion that the structure of our Board is reasonable, and the experience and skills of our Directors in various aspects and fields can enable our Company to maintain high standard of operation.

Apart from diversity within our Board, we recognize the importance of gender diversity, which we have taken, and will continue to take, steps to promote at all levels of our Company, including at the Board, senior management and workforce (excluding senior management) level. Going forward, in accordance with the Diversity Policy, we will have at least one female Director at all times, we will ensure that a female Director serves on the Nomination Committee at all times, and we will continue to work to enhance gender diversity when selecting and recommending suitable candidates across the Board, senior management and workforce (excluding senior management) levels. We will strive to enhance female representation within the Company and will maintain a non-single gender Board at all times with reference to stakeholders' expectations and international standards and best practices. In particular, we aim to develop a pipeline of female employees from the workforce to reach senior management level and become potential successors to the Board by implementing comprehensive programs aimed at identifying and training our female employees who display leadership and potential, and ensuring that our female management members have equal opportunities to develop and perform so as to be equipped to step up as a member of our Board.

After the **[REDACTED]**, our Nomination Committee will, among its other duties, review our Diversity Policy from time to time to ensure its continued effectiveness and we will disclose the implementation of our Diversity Policy in our corporate governance report on an annual basis.

COMPLIANCE ADVISOR

Our Company [has appointed] Alliance Capital Partners Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, the compliance advisor will advise our Company on the following matters:

(1) before the publication of any regulatory announcement, circular or financial report;

(2) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share buy-backs;

(3) where we propose to use the **[REDACTED]** of the **[REDACTED]** in a manner different from that detailed in this document or where our business activities, developments or results deviate from any forecast, estimate, or other information in this document; and

(4) where the Stock Exchange makes an inquiry of us regarding unusual movements in the **[REDACTED]** or **[REDACTED]** of our H Shares.

The term of the appointment shall commence on the **[REDACTED]** and end on the date on which we distribute our annual report in respect of our financial results for the first full financial year commencing after the **[REDACTED]** and such appointment may be subject to extension by mutual agreement.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS GROUP

As of the Latest Practicable Date, Mr. Chen was directly interested in 39,537,053 Shares, representing approximately 23.58% of the voting rights in our Company. Being (i) the general partner of, and holds 83.27% partnership interest in, Anyi ACRO, and (ii) the general partner of, and holds 2.03% partnership interest in, Anyi Baipujiale, Mr. Chen is therefore deemed to be interested in 13,383,622 Shares and 1,795,365 Shares owned by Anyi ACRO and Anyi Baipujiale, respectively. As of the Latest Practicable Date, Mr. Miao was directly interested in 14,633,249 Shares, representing approximately 8.73% of the voting rights in our Company. Mr. Miao also holds 0.50% partnership interest as a limited partner in Anyi ACRO. By virtue of the Acting in Concert Agreement and Mr. Chen's role as the general partner of Anyi ACRO and Anyi Baipujiale, Mr. Chen, Mr. Miao, Anyi ACRO and Anyi Baipujiale constitute our Controlling Shareholders Group and are able to exercise an aggregate of approximately 41.36% of the voting rights in our Company as of the Latest Practicable Date. Immediately following the completion of the **[REDACTED]**, our Controlling Shareholders Group will be interested in a total of 69,349,289 Shares, representing approximately **[REDACTED]**% of the voting rights in our Company (assuming the **[REDACTED]** is not exercised and no additional Shares are issued pursuant to our Restricted A-Share Incentive Plans) or approximately **[REDACTED]**% of the voting rights in our Company (assuming the **[REDACTED]** is exercised in full and no additional Shares are issued pursuant to our Restricted A-Share Incentive Plans). Pursuant to the Acting in Concert Agreement, in the event of disagreements regarding significant operational matters of our Company between Mr. Chen and Mr. Miao, the opinion of Mr. Chen shall prevail and therefore, Mr. Chen is the actual controller of the Company pursuant to the ChiNext Market Listing Rules of the Shenzhen Stock Exchange (《深圳證券交易所創業板股票上市規則》) and Administrative Measures for the Takeover of Listed Companies (《上市公司收購管理辦法》).

ACTING IN CONCERT AGREEMENT

On December 12, 2016, Mr. Chen and Mr. Miao signed the Acting in Concert Agreement, pursuant to which Mr. Chen and Mr. Miao had agreed and confirmed that: (a) Mr. Chen and Mr. Miao have been and will continue to be parties acting in concert, and they have agreed to consult with one another and reach a unanimous consensus before the decision, implementation, and agreement on all material operational, production, and significant decision-making matters of our Company, exercising their proposal rights, nomination rights, voting rights, and decision-making rights in unison for significant operational and business decisions; (b) Mr. Chen and Mr. Miao have committed to fully communicate and negotiate prior to the shareholders' meeting deliberating on the matters listed in the Acting in Concert Agreement, ensuring that they reach a consensus on which voting rights to exercise and the manner of their exercise, thereby guaranteeing that the decision-making related to our Company will not be delayed due to their negotiations, and they will exercise their voting rights at the shareholders' meeting in accordance with this consensus; (c) in the event of disagreements regarding significant operational matters of our Company, the opinion of Mr. Chen shall prevail; (d) Mr. Chen and Mr. Miao have committed that neither party shall, in any form such as delegation or trust, entrust the voting rights of all or part of the shares directly or indirectly held to a third party; (e) the concerted action relationship established by the Acting in Concert Agreement cannot be unilaterally terminated or revoked by either party; and (f) if either party violates the provisions of the Acting in Concert Agreement, they shall take effective measures to eliminate the impact of their breach without violating laws, regulations, rules, relevant normative documents, or the articles of association of our Company.

CONFIRMATION OF NO COMPETING INTEREST

Mr. Chen, Mr. Miao, Anyi ACRO and Anyi Baipujiale confirm that, as of the Latest Practicable Date, they did not have any interest in a business, apart from the business of the Group, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

Non-competition Undertaking in connection with the A Shares Listing

For the purpose of the listing of our A Shares on the ChiNext Market in October 2021, and in order to avoid any potential competition between Mr. Chen, Mr. Miao and our Company, each of Mr. Chen and Mr. Miao entered into a non-competition undertaking in favor of our Company on September 21, 2020, pursuant to which they have undertaken, among others, that, from the date of the Acting in Concert Agreement, (i) Mr. Chen and Mr. Miao, along with their controlled entities, have not produced or developed any products that compete or may compete with those of our Company, nor engaged in any competing business or invest in any competing enterprises of our Company; (ii) Mr. Chen and Mr. Miao, along with their controlled entities, will not produce or develop any products that compete or may compete with those of our Company, nor engage in any competing business or invest in any competing enterprises of our Company; (iii) in the event that any business opportunity that may compete with the business of our Company becomes available to them or their controlled entities (other than our Group), our Company will have the priority to take up such business opportunity; (iv) in the event that our Company or our subsidiaries expand the business scope, Mr. Chen and Mr. Miao, along with their controlled enterprises, will not compete with the expanded businesses. If competition arises, they will cease operations of the competing businesses or products, incorporate them into our Company's operations, or transfer them to unrelated third parties; and (v) the aforementioned undertakings will remain effective during Mr. Chen's tenure as the Controlling Shareholder and actual controller of our Company and Mr. Miao's tenure as acting-in-concert persons of the actual controller of our Company.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS GROUP

Having considered the following factors, we believe that our Group is capable of carrying on its business independently of our Controlling Shareholders Group and their respective close associates after the **[REDACTED]**:

Management Independence

Our business is managed and conducted by our Board and senior management. Our Board consists of three executive Directors, one non-executive Director and three independent non-executive Directors. See "Directors and Senior Management" in this document for details. Mr. Chen, who is a member of our Controlling Shareholders Group, is one of our co-founders, chairman of the Board, an executive Director and the general manager of our Company. Mr. Miao, who is a member of our Controlling Shareholders Group, is one of our co-founders, an executive Director and the deputy general manager of our Company.

Our Directors believe that our Board and senior management have been and will continue to be able to independently manage our business and function independently from our Controlling Shareholders Group based on the following grounds:

(i) each of our Directors is aware of his or her fiduciary duties as a Director which require, among other things, that he or she acts for the benefit and in the best interests of our Company and does not allow any conflict between his or her duties as a Director and his or her personal interest;

(ii) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between us and our Directors or their respective associates, the interested Director(s) shall abstain from voting at the relevant Board meetings of our Company in respect of such transactions and shall not be counted in the quorum;

(iii) our daily management and operations are carried out by our executive Directors and our senior management team. Other than Mr. Chen and Mr. Miao, our other executive Directors and senior management are independent from our Controlling Shareholders Group and have

substantial experience in the industry in which our Company is engaged and/or business management in general and will therefore be able to make business decisions that are in the best interest of our Group. For details of the background of the executive Directors and senior management, see "Directors and Senior Management" in this document;

(iv) our independent non-executive Directors have extensive experience in different professions. They have been appointed to ensure that the decisions of the Board are made only after due consideration of independent and impartial opinions. Our Directors believe that the presence of our independent non-executive Directors from different backgrounds provides a balance of views and opinions. For details of the background of our independent non-executive Directors, see "Directors and Senior Management" in this document;

(v) our Company has established internal control mechanisms to identify connected transactions to ensure that our Shareholders or Directors with conflicting interests in a proposed transaction will abstain from voting on the relevant resolutions. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and our Directors or their respective close associates, the interested Director is obliged to declare and fully disclose such potential conflict of interest and shall abstain from voting at the relevant Board meetings of our Company in respect of such transactions and shall not be counted in the quorum; and

(vi) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders Group which would support our independent management. See "Corporate Governance" below in this section.

Having considered the above factors, our Directors are satisfied that our Board together with the senior management team as a whole is able to perform their roles independently from our Controlling Shareholders Group and their respective close associates after the **[REDACTED]**.

Operational Independence

We operate independently from our Controlling Shareholders Group and their respective close associates, including:

(i) we have established its own organizational structure, which comprises individual departments and each department has its own administrative and corporate governance infrastructure;

(ii) we hold all of the relevant licenses and intellectual property rights material to our business operation and has sufficient capital, facilities, equipment and employees to operate our business independently;

(iii) our Controlling Shareholders Group has no interest in any of our top five suppliers and customers. We do not rely on our Controlling Shareholders Group or their close associates and have independent access to our suppliers and customers; and

(iv) we have established a set of internal control procedures to facilitate the effective operation of our business independent from our Controlling Shareholders Group.

Having considered the above factors, our Directors are of the view that we are capable of carrying on our business independently from our Controlling Shareholders Group and their respective close associates.

Financial Independence

Our Group has an independent financial, internal control and accounting system. We make financial decisions according to our own business needs. We also have an independent finance department responsible for discharging the treasury function, and the Audit Committee to oversee our accounting and financial reporting processes. We have sufficient capital to operate our business independently, and has adequate internal resources and a strong credit profile to support our daily operations.

As of the Latest Practicable Date, our Group does not rely on our Controlling Shareholders Group and/or their respective close associates for any provision of financial assistance. Our Directors confirm that as of the Latest Practicable Date, on one hand, none of the Controlling Shareholders Group or their respective close associates provided any loans, guarantees or pledges to our Group and, on the other hand, our Group did not provide any loans, guarantees or pledges to our Controlling Shareholders Group.

Other than the above, our source of funding and our finances are independent from our Controlling Shareholders Group and none of our Controlling Shareholders Group and their respective close associates financed our operations during the Track Record Period. Our Directors confirm that our Group does not intend to obtain any further borrowing, guarantees, pledges and mortgages from any of our Controlling Shareholders Group or their respective close associates. Having considered the above factors, our Directors are of the view that we have no financial dependence on our Controlling Shareholders Group.

CORPORATE GOVERNANCE

Our Company will comply with the provisions of the Corporate Governance Code, which sets out principles of good corporate governance in relation to, among other matters, directors, the chairman and executive officer, Board composition, the appointment, re-election and removal of directors, their responsibilities and remuneration and communications with shareholders.

We [have] put in place sufficient corporate governance measures to manage the conflict of interest and potential competition from our Controlling Shareholders Group and safeguard the interest of our Shareholders, including:

(a) where a Board meeting is held for the matters in which any Director has a material interest, such Director(s) shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting;

(b) where a Shareholders' meeting is to be held for considering proposed transactions in which our Controlling Shareholders Group or any of their close associates has a material interest, our Controlling Shareholders Group will not vote on the resolutions and shall not be counted in the quorum in the voting;

(c) our Company has established internal control mechanism to identify connected transactions. After the **[REDACTED]**, our Company will comply with the requirements in connection with connected transactions under the Listing Rules;

(d) our Directors (including our independent non-executive Directors) will seek independent and professional opinions from external advisors at our Company's cost as and when appropriate in accordance with the Corporate Governance Code;

(e) we [have appointed] Alliance Capital Partners Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance;

(f) we have established the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code;

(g) our Controlling Shareholders Group will confirm the status of their non-competing interest (if any) on an annual basis and to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by our Company;

(h) our independent non-executive Directors will review, on an annual basis, whether there is any conflict of interests between our Group and our Controlling Shareholders Group and provide impartial and professional advice to protect the interests of our minority Shareholders; and

(i) our Company will disclose decisions (with basis), if any, on matters reviewed by the independent non-executive Directors either in its annual report or by way of announcements.

Our Directors consider that the above corporate governance measures are sufficient to manage any potential conflict of interests between our Controlling Shareholders Group and their respective close associates and our Group and to protect the interests of our Shareholders, in particular, the minority Shareholders.

SUBSTANTIAL SHAREHOLDERS

To the best of the knowledge of our Directors, the following persons will, immediately after the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised and no additional Shares are issued pursuant to our Restricted A-Share Incentive Plans), have an interest or short position in our Shares or underlying Shares which are required to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at the general meetings of our Company:

			As of the Latest Practicable Date			Immediately after the [REDACTED]			
Shareholder	Capacity/ Nature of interest	Description of Shares	Number of Shares	Approximate percentage of shareholding in the total issued share capital[3]	Approximate percentage of voting rights in our Company[4]	Number of Shares	Approximate percentage of shareholding in the type of Shares[5]	Approximate percentage of shareholding in the total issued share capital[6]	Approximate percentage of voting rights in our Company[7]
Mr. Chen	Beneficial owner	A Shares	39,537,053	23.58%	23.58%	**[REDACTED]**	[REDACTED]%	[REDACTED]%	[REDACTED]%
	Interests held jointly with another person [1]	A Shares	14,633,249	8.73%	8.73%	**[REDACTED]**	[REDACTED]%	[REDACTED]%	[REDACTED]%
	Interest in the controlled corporations [2]	A Shares	15,178,987	9.05%	9.05%	**[REDACTED]**	[REDACTED]%	[REDACTED]%	[REDACTED]%
Mr. Miao	Beneficial owner	A Shares	14,633,249	8.73%	8.73%	**[REDACTED]**	[REDACTED]%	[REDACTED]%	[REDACTED]%
	Interests held jointly with another person [1]	A Shares	54,716,040	32.63%	32.64%	**[REDACTED]**	[REDACTED]%	[REDACTED]%	[REDACTED]%
Anyi ACRO . . .	Beneficial owner	A Shares	13,383,622	7.98%	7.98%	**[REDACTED]**	[REDACTED]%	[REDACTED]%	[REDACTED]%

Notes:

(1) Mr. Chen and Mr. Miao entered into the Acting in Concert Agreement, details of which are set out in "Relationship with Controlling Shareholders — Acting in Concert Agreement" of this document.

(2) Being (i) the general partner of, and holds 83.27% partnership interest in, Anyi ACRO, and (ii) the general partner of, and holds 2.03% partnership interest in, Anyi Baipujiale, Mr. Chen is therefore deemed to be interested in 13,383,622 Shares and 1,795,365 Shares owned by Anyi ACRO and Anyi Baipujiale, respectively.

(3) The calculation is based on the total number of 167,679,058 Shares in issue including the 20,000 A Shares as treasury shares as of the Latest Practicable Date.

(4) The calculation is based on the total number of 167,659,058 Shares in issue excluding the 20,000 A Shares as treasury shares as of the Latest Practicable Date.

(5) The calculation is based on the total number of 167,679,058 A Shares in issue immediately following the completion of **[REDACTED]** including the 20,000 Shares as treasury shares (assuming the **[REDACTED]** is not exercised and no additional Shares are issued pursuant to our Restricted A-Share Incentive Plans).

(6) The calculation is based on the total number of **[REDACTED]** Shares in issue immediately following the completion of **[REDACTED]** including the 20,000 A Shares as treasury shares (assuming the **[REDACTED]** is not exercised and no additional Shares are issued pursuant to our Restricted A-Share Incentive Plans).

(7) The calculation is based on the total number of **[REDACTED]** Shares in issue immediately following the completion of the **[REDACTED]** excluding the 20,000 A Shares as treasury shares (assuming the **[REDACTED]** is not exercised and no additional Shares are issued pursuant to our Restricted A-Share Incentive Plans).

SUBSTANTIAL SHAREHOLDERS

Save as disclosed above, our Directors are not aware of any person who will, immediately following the **[REDACTED]** (assuming the **[REDACTED]** is not exercised and no additional Shares are issued pursuant to our Restricted A-Share Incentive Plans), have an interest or short position in our Shares or underlying Shares which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

SHARE CAPITAL

Immediately before the [REDACTED]

As of the Latest Practicable Date, the registered share capital of our Company was RMB167,679,058, comprising 167,679,058 A Shares (including 20,000 A Shares as treasury shares), at the nominal value of RMB1.00 each, all of which are listed on the ChiNext Market.

Upon the Completion of the [REDACTED]

Assuming the **[REDACTED]** is not exercised and no additional Shares are issued pursuant to our Restricted A-Share Incentive Plans, the share capital of our Company immediately after the **[REDACTED]** will be as follows:

Description of Shares	Number of Shares	Approximate % of the enlarged issued share capital after the [REDACTED]
A Shares in issue	[167,679,058][(1)]	**[REDACTED]**
H Shares to be **[REDACTED]** pursuant to the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Total	**[REDACTED]**	**100.00**

Note:

(1) These A Shares include 20,000 A Shares which are held by our Company as treasury shares.

Assuming the **[REDACTED]** is exercised in full and no additional Shares are issued pursuant to our Restricted A-Share Incentive Plans, the share capital of our Company immediately after the **[REDACTED]** will be as follows:

Description of Shares	Number of Shares	Approximate % of the enlarged issued share capital after the [REDACTED]
A Shares in issue	[167,679,058][(1)]	**[REDACTED]**
H Shares to be **[REDACTED]** pursuant to the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Total	**[REDACTED]**	**100.00**

Note:

(1) These A Shares include 20,000 A Shares which are held by our Company as treasury shares.

OUR SHARES

Upon the completion of the **[REDACTED]**, our H Shares in issue and our A Shares are ordinary Shares in the share capital of our Company, and are considered as one class of Shares. However, apart from certain qualified domestic institutional investors in Chinese Mainland, the qualified investors in Chinese Mainland under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (if our H Shares are eligible securities for that purpose) and other persons who are entitled to hold our H Shares pursuant to relevant PRC law or upon approvals of any competent authorities, H Shares generally cannot be **[REDACTED]** for by, or **[REDACTED]** between, legal or natural persons in Chinese Mainland.

Shenzhen-Hong Kong Stock Connect has established a stock connect mechanism between Chinese Mainland and Hong Kong. Our A Shares can be subscribed for and traded by investors in Chinese Mainland, qualified foreign institutional investors or qualified foreign strategic investors and must be traded in Renminbi. As our A Shares are eligible securities under the Northbound Trading Link, they can also be subscribed for and traded by Hong Kong and other overseas investors pursuant to the rules and limits of Shenzhen-Hong Kong Stock Connect. If our H Shares are eligible securities under the Southbound Trading Link, they can also be **[REDACTED]** for and **[REDACTED]** by **[REDACTED]** in Chinese Mainland in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

RANKING

Except for the differences set out in "— Our Shares" above in this section, H Shares and our A Shares are regarded as one class of Shares under our Articles of Association and will rank pari passu with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. Dividends in respect of our H Shares are to be paid by us in Hong Kong dollars whereas dividends in respect of our A Shares are to be paid by us in Renminbi. In addition to cash, dividends may also be distributed in the form of Shares. Holders of our H Shares will receive share dividends in the form of H Shares, and holders of our A Shares will receive share dividends in the form of A Shares.

NO CONVERSION OF OUR A SHARES INTO H SHARES FOR [REDACTED] AND [REDACTED] ON THE HONG KONG STOCK EXCHANGE

Our A Shares and our H Shares are generally neither interchangeable nor fungible, and the **[REDACTED]** of our A Shares and our H Shares may be different after the **[REDACTED]**. The Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies (《H股公司境內未上市股份申請"全流通"業務指引》) announced by the CSRC are not applicable to companies dual listed in the PRC and on the Hong Kong Stock Exchange. As of the Latest Practicable Date, there were no relevant rules or guidelines from the CSRC providing that holders of A Shares may convert A Shares held by them into H Shares for **[REDACTED]** and **[REDACTED]** on the Hong Kong Stock Exchange.

APPROVAL FROM HOLDERS OF A SHARES REGARDING THE [REDACTED]

Approval from holders of A Shares is required for our Company to **[REDACTED]** H Shares and seek the **[REDACTED]** of H Shares on the Hong Kong Stock Exchange. Such approval was obtained by us at the shareholders' meeting of our Company held on January 6, 2026 and is subject to, among other things, the following conditions:

(i) *Size of the* **[REDACTED]**. The proposed number of H Shares to be **[REDACTED]** shall not exceed **[REDACTED]** of the total issued share capital enlarged by the H Shares to be **[REDACTED]** pursuant to the **[REDACTED]** (before the exercise of the **[REDACTED]**). The number of H Shares to be **[REDACTED]** pursuant to the full exercise of the **[REDACTED]** shall not exceed **[REDACTED]** of the total number of H Shares to be **[REDACTED]** initially under the **[REDACTED]**.

(ii) *Method of* **[REDACTED]**. The method of **[REDACTED]** shall be by way of an **[REDACTED]** to institutional **[REDACTED]** and a **[REDACTED]** for **[REDACTED]** in Hong Kong.

(iii) *Target* **[REDACTED]**. The H Shares shall be **[REDACTED]** to **[REDACTED]** in Hong Kong under the **[REDACTED]**, and **[REDACTED]**, qualified domestic institutional **[REDACTED]** in Chinese Mainland and other **[REDACTED]** who are approved by mainland Chinese regulatory bodies to invest abroad in the **[REDACTED]**.

(iv) **[REDACTED]** *basis.* The **[REDACTED]** of the H Shares will be determined, among others, after due consideration of the interests of existing shareholders of our Company, the domestic and overseas capital market conditions and market subscription levels through the book building process.

(v) *Validity period.* The **[REDACTED]** of H Shares and **[REDACTED]** of H Shares on the Stock Exchange shall be completed within 24 months from the date when the shareholders' meeting was held on January 6, 2026. If the Company has obtained approval or filing from relevant regulatory bodies for the **[REDACTED]** and **[REDACTED]** of the H Shares within such validity period, the validity period of the resolution will automatically be extended to the completion of the **[REDACTED]** and **[REDACTED]** of the H Shares.

SHAREHOLDERS' GENERAL MEETINGS

For details of circumstances under which the Shareholders' general meeting is required, see "Summary of Articles of Association — Shareholders and Shareholders' Meeting" in Appendix V to this document.

SHARE SCHEMES

For details of our Restricted A-Share Incentive Plans, see "Statutory and General Information — D. Restricted A-Share Incentive Plans" in Appendix VI to this document.

You should read the following discussion and analysis on our financial condition and results of operations together with our audited consolidated financial statements as of and for each of the years ended December 31, 2023, 2024 and 2025 and the seven months ended July 31, 2026, including the notes thereto, included in the Accountants' Report as set out in Appendix I. Our consolidated financial statements have been prepared in accordance with IFRS Accounting Standards.

[REDACTED] *should read the whole of the Accountants' Report as set out in Appendix I and not rely merely on the information contained in this section. The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. For additional information regarding these risks and uncertainties, see "Risk Factors."*

OVERVIEW

We are principally engaged in the R&D, production and sales of recombinant proteins, antibodies and analytical assay kits. We offer a comprehensive portfolio integrating biological reagents, including recombinant proteins, antibodies, analytical assay kits and other products, complemented by a range of technical services. The synergy among our offerings allows us to offer customized solutions that address the critical needs of biopharmaceutical R&D, from early-stage target discovery to clinical trials.

Our revenue increased by 18.6% from RMB543.7 million in 2023 to RMB645.0 million in 2024, and further increased by 29.9% to RMB838.1 million in 2025. Our revenue increased by 31.1% from RMB462.4 million in the seven months ended July 31, 2025 to RMB606.2 million in the same period in 2026. We recorded profit for the year/period of RMB147.6 million, RMB120.0 million, RMB164.8 million, RMB89.8 million and RMB122.8 million in 2023, 2024, 2025 and the seven months ended July 31, 2025 and 2026, respectively. We have also recorded positive cash flows generated from operating activities of RMB61.0 million, RMB26.4 million, RMB265.5 million and RMB118.3 million in 2023, 2024, 2025 and the seven months ended July 31, 2026, respectively.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Macroeconomic Conditions and Market Development

Our results of operations are influenced by global and PRC macroeconomic conditions and the development cycle of the life science tools and biopharmaceutical markets, as these factors directly affect market demand for our biological reagent products. Changes in economic growth, government funding for scientific research, healthcare expenditure levels and investment sentiment may impact customers' research activities, project timelines and procurement budgets, thereby affecting order volumes, pricing dynamics and revenue recognition.

Market demand for our products and services is closely correlated with the expansion of the biologics drug industry. Biologic drug R&D relies on biological reagents, including recombinant reagents, across multiple stages such as target discovery, mechanism studies, process development, analytical testing and quality control. As downstream fields including monoclonal antibodies, XDCs/ADCs and CGTs continue to increase in scale and technical complexity, customers generally require a broader range of specialized reagents with higher performance specifications, which supports sustained demand for upstream biological reagents. Conversely, any slowdown in biologics R&D activities, delays in project execution or reprioritization of development pipelines may lead to reduced procurement demand, which could adversely affect our revenue growth and operating results.

Historically, our financial performance has benefited from the growth in market demand for biological reagents driven by the expansion of life science research and biopharmaceutical development activities. However, such demand remains subject to macroeconomic fluctuations and industry-specific cycles, and any material adverse changes in these external factors could result in volatility in our revenue scale, growth trajectory and profitability.

Our R&D Capabilities and Ability to Achieve Technological Iteration and Product Innovation

Our results of operations are influenced by our R&D capabilities and our ability to achieve continuous technological iteration, introduce new products and upgrade existing products in response to evolving market demand. The biological reagent industry is characterized by rapid technological advancement, frequent product iteration and evolving industry standards, with downstream biopharmaceutical research generating increasing demand for higher-performance, more specialized and application-specific reagents. Our ability to align R&D activities with such technological trends and translate them into commercially viable products directly affects our revenue growth, competitiveness and market position.

R&D activities enable us to develop new recombinant and other biological reagent products, enhance existing products and address increasingly complex and standardized customer requirements, including higher specificity, stability, consistency and compatibility with evolving experimental platforms and regulatory expectations. The pace of product development, timing of commercialization and degree of market acceptance of newly introduced or upgraded products may cause fluctuations in our operating results from period to period. R&D-driven changes in our revenue composition may affect our gross margin and results of operations, as different products are subject to varying cost structures, pricing dynamics and scale-up efficiencies. If development or commercialization is delayed, market acceptance is lower than expected, or newly introduced products require higher upfront investment before achieving economies of scale, our financial performance may be materially and adversely affected.

Our Global Expansion and Overseas Localization Strategies

Our results of operations may be affected by the progress of our global expansion and our ability to effectively execute overseas sales and supply chain localization strategies. Expanding into overseas markets typically requires sustained sales and marketing efforts, establishment of customer relationships, adaptation to local purchasing practices and compliance with applicable regulatory and commercial requirements. The pace at which we are able to develop overseas sales channels and convert customer demand into stable revenue streams may influence the scale, timing and geographic composition of our revenue. Any delays, inefficiencies or execution challenges in our overseas sales efforts may result in higher operating costs without a corresponding increase in revenue, which could adversely affect our results of operations.

In addition, our global expansion may require the development and coordination of localized supply chain capabilities, including logistics arrangements, inventory management and, where appropriate, localized warehousing, in order to improve delivery efficiency and customer responsiveness. The establishment and operation of such localized supply chain infrastructure may involve upfront investments, increased operating complexity and exposure to operational risks. If we are unable to effectively manage these activities, achieve expected efficiency improvements or align supply chain localization with actual market demand, our cost structure, service levels and profitability may be adversely affected. Furthermore, changes in international trade policies, customs procedures or geopolitical conditions may add uncertainty to our overseas operations and impact our financial performance.

Our Ability to Manage Our Operating Expenses

Our profitability is affected by our ability to manage operating costs and expenses, including research and development expenses, general and administrative expenses, as well as selling expenses. As our business expands, cost items such as personnel expenses, depreciation and amortization and other operating expenses may fluctuate and influence our operating results. Effective cost control, together with efficient resource allocation and maintenance of operational quality, is therefore important to our operating margins and overall financial performance.

At the same time, sustained investment in R&D remains an important driver of our business development. While such investments may have an impact on short-term profitability, they support the continued enhancement of our core technologies and product portfolio, which in turn underpins our long-term competitiveness and revenue growth.

Production Capacity and Manufacturing Cost Structure

Our results of operations are influenced by our production capacity and manufacturing cost structure. We enhance our production capabilities through internal capacity expansion and, where appropriate, acquisitions to support business growth and product diversification. Manufacturing costs, including raw materials, labor, utilities and depreciation, vary with production scale, capacity utilization and operational efficiency. Higher capacity utilization and improved efficiency generally lower unit costs through better fixed-cost absorption, while underutilization of capacity, delays in capacity ramp-up or increases in input costs may adversely affect our gross margin and profitability. Accordingly, our ability to align production capacity with market demand is an important factor affecting our operating results.

Competition

Our results of operations are affected by the level of competition in the biological reagent market in China and globally. We face competition from a range of market participants, including established international suppliers and domestic manufacturers, which may compete with us on factors such as product performance, product breadth, technological capability, customization ability, pricing, brand recognition and customer service. Our competitiveness depends in part on our R&D capabilities, the breadth and depth of our product portfolio, our ability to respond to customer-specific requirements, and our relationships with customers and suppliers. However, competition in the industry may intensify as existing competitors expand their offerings, new entrants emerge or pricing pressure increases. If we are unable to maintain or enhance our competitive position, or if competitive pressures lead to lower selling prices, higher marketing or research and development expenses, or loss of market share, our revenue, margins and results of operations may be adversely affected.

BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

Our historical financial information during the Track Record Period has been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board. The historical financial information has been prepared on the historical cost basis except for certain financial assets and liabilities which are stated at fair value.

MATERIAL ACCOUNTING POLICIES AND KEY ESTIMATES

We have identified certain accounting policies that we believe are most material to the preparation of our combined financial statements. Some of our material accounting policies involve subjective assumptions and estimates, as well as complex judgments by our management relating to accounting items. The estimates and associated assumptions are based on our historical experience and various

other relevant factors that we believe are reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

We set forth below those accounting policies that we believe are of critical importance to us or involve significant estimates, assumptions and judgments in the preparation of our financial statements. Our material accounting policies and accounting judgments and estimates are set forth in detail in Notes 3.2 and 4 of the Accountants' Report included in Appendix I to this document.

Material Accounting Policies

Revenue recognition

To determine whether to recognize revenue, we follow a five-step process: (i) identifying the contract with a customer, (ii) identifying the performance obligations, (iii) determining the transaction price, (iv) allocating the transaction price to the performance obligations, and (v) recognizing revenue when or as performance obligations are satisfied.

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties. Revenue is recognized either at a point in time or over time, when we satisfy performance obligations by transferring the promised goods or services to our customers.

Revenue from sale of goods

Revenue from sale of goods between our Group and our customers generally only includes a performance obligation for the transfer of goods, which is recognized when the performance obligation has been satisfied at a point in time.

Revenue for domestic and overseas sale of goods is recognized when we have delivered the products to our customers or other parties entrusted by the customers in accordance with the contract terms and have received acceptance and other proof of receipt from the customers or other parties entrusted by the customers.

Revenue from rendering of services

We provide technical services and recognize the corresponding revenue when the services are completed and the right to consideration is obtained, with the associated revenue and costs being reliably measurable.

Property, plant and equipment

Property, plant and equipment (other than construction in progress as described below) are initially recognized at acquisition cost and/or manufacturing cost (including any cost directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by our management, including costs of testing whether the related assets are functioning properly). They are subsequently stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalized in accordance with our accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognized so as to write off the cost of assets other than construction in progress less their residual values using the straight-line basis over their estimated useful lives as follows:

Buildings	30 to 50 years
Machinery and equipment	3 to 10 years
Transportation equipment	5 to 10 years
Electronic equipment	3 to 5 years
Others	3 to 10 years

Estimates of residual value and useful life are reviewed, and adjusted if appropriate, at the end of each year for the Track Record Period.

Gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to us and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other costs, such as repairs and maintenance, are charged to profit or loss during the financial year in which they are incurred.

Inventories

Inventories are carried at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses. Cost is determined using the first-in-first-out basis, and in the case of work in progress and finished goods, comprises direct materials, direct labor and an appropriate proportion of overheads.

Critical Accounting Estimates and Judgments

The preparation of our financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Our management also needs to exercise judgment in applying our accounting policies.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The estimates and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

The classification of financial assets

The classification of financial assets at initial recognition depends on the business model we adopt to manage financial assets. In judging the business model, we consider, among others, the methods by which we assess and the way by which we report to the key managers about the results of financial assets, the risks confronted by the results of financial assets and relevant risk management methods, and the way of determining the compensation of business operators. When determining whether the business model maintained for the purpose of receiving contractual cash flows, we need to analyze the reasons for selling financial assets before expiry dates, the time, frequency and consideration of the selling.

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. We use judgment in making these assumptions and selecting the inputs to the impairment calculation, based on our past history and existing market conditions, as well as forward-looking estimates at the end of each year for the Track Record Period.

Inventory provision

Inventories are stated at the lower of cost and net realizable value. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Even though our management has made the best estimate about the inventory write-down loss predicted to occur and provided allowance for write-down, the write-down assessment may still change significantly due to the change of market situation.

Fair value of financial assets at FVTPL

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques. We use our judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each year for the Track Record Period. Changes in these assumptions and estimates could materially affect the respective fair value of these investments.

Recognition of share-based compensation expenses

We granted stock incentive to our employees, which are viewed as share-based payment transaction in substance. These transactions resulted in the recognition of share-based compensation expenses. Estimating the fair value of share-based payment transactions requires the determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model including the expected life of the stock incentive granted, expected volatility, expected dividend yield and risk-free rate and making assumptions about them.

RESULTS OF OPERATIONS

The table below presents a summary of our consolidated statements of comprehensive income for the periods indicated:

	For the year ended December 31,			For the seven months ended July 31,	
	2023	2024	2025	2025	2026
	(RMB in thousands)				
				(unaudited)	
Revenue	543,653	645,023	838,118	462,383	606,177
Cost of sales	(85,136)	(98,243)	(138,549)	(79,457)	(102,369)
Gross profit	458,517	546,780	699,569	382,926	503,808
Other income	71,851	70,534	59,150	29,597	20,756
Other gains and (losses), net	15,774	498	(7,362)	7,116	(13,208)
Research and development expenses	(124,915)	(165,350)	(184,173)	(105,123)	(111,433)
General and administrative expenses	(88,595)	(115,520)	(145,865)	(75,149)	(102,991)
Selling expenses	(167,623)	(207,095)	(248,877)	(146,093)	(164,033)
Net impairment losses recognized on financial assets	(1,711)	(2,171)	(4,096)	(1,359)	(2,675)
Finance costs	(2,695)	(3,543)	(2,689)	(1,946)	(1,009)
Share of results of associates, net	66	782	3,666	1,168	2,962

	For the year ended December 31,			For the seven months ended July 31,	
	2023	2024	2025	2025	2026
	(RMB in thousands)				
				(unaudited)	
Profit before income tax	160,669	124,915	169,323	91,137	132,177
Income tax expense	(13,117)	(4,873)	(4,479)	(1,302)	(9,383)
Profit for the year/period	147,552	120,042	164,844	89,835	122,794
Profit for the year/period attributable to:					
Owners of our Company	153,593	123,832	165,568	90,054	122,794
Non-controlling interests	(6,041)	(3,790)	(724)	(219)	—
	147,552	120,042	164,844	89,835	122,794
Other comprehensive income/(loss) for the year/period, net of tax					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of financial statements of foreign operations, net of tax	7,939	8,697	3,149	4,945	(8,774)
Items that will not be reclassified subsequently to profit or loss:					
Changes in fair value of equity investments designated at fair value through other comprehensive income	—	—	(11,438)	(11,438)	(1,312)
Other comprehensive income/(loss) for the year/period, net of tax	7,939	8,697	(8,289)	(6,493)	(10,086)
Total comprehensive income for the year/period	155,491	128,739	156,555	83,342	112,708
Total comprehensive income/(loss) for the year/period attributable to:					
Owners of our Company	161,532	132,529	157,279	83,561	112,708
Non-controlling interests	(6,041)	(3,790)	(724)	(219)	—
	155,491	128,739	156,555	83,342	112,708
Earnings per share for profit attributable to owners of our Company					
Basic (in RMB per share)	0.91	0.74	0.99	0.54	0.73
Diluted (in RMB per share)	0.91	0.74	0.99	0.54	0.73

DESCRIPTION OF MAJOR COMPONENTS OF OUR CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Revenue

During the Track Record Period, we generated revenue primarily from sales of recombinant proteins, antibodies, analytical assay kits and other products and provision of technical services. The following table sets forth a breakdown of our revenue by business line for the periods indicated.

	For the year ended December 31,						For the seven months ended July 31,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)									
							(unaudited)			
Recombinant proteins	456,501	84.0	535,694	83.1	678,962	81.0	377,517	81.6	486,362	80.2
Antibodies	28,322	5.2	32,632	5.1	39,199	4.7	22,766	4.9	27,193	4.5
Analytical assay kits	19,041	3.5	22,415	3.5	37,159	4.4	18,181	3.9	30,381	5.0
Technical services	15,492	2.8	17,448	2.7	17,077	2.0	8,313	1.8	17,513	2.9
Others[(1)]	24,297	4.5	36,834	5.6	65,721	7.9	35,606	7.8	44,728	7.4
— Functional cell lines	4,165	0.8	12,412	1.9	22,990	2.7	12,599	2.7	20,201	3.3
— Cell culture media	4,445	0.8	5,773	0.9	10,349	1.2	6,402	1.4	8,300	1.4
— Other products and services[(1)]	15,687	2.9	18,649	2.8	32,382	4.0	16,605	3.7	16,227	2.7
Total:	**543,653**	**100.0**	**645,023**	**100.0**	**838,118**	**100.0**	**462,383**	**100.0**	**606,177**	**100.0**

Note:

(1) Other products and services primarily included (i) conference income, which mainly consisted of fees charged by us for organizing or hosting various large-scale industry conferences and seminars, (ii) cell development income, derived from the provision of customized cell model development services, and (iii) other miscellaneous income.

During the Track Record Period, we generated revenue from external customers located in various countries or regions, which mainly consist of Chinese Mainland, the Americas, Europe, as well as other countries and regions. Benefiting from the continuous expansion of our domestic and overseas businesses, our revenue generated from various jurisdictions maintained steady growth during the Track Record Period. The following table sets forth a breakdown of our revenue by geographical location of customers for the periods indicated:

	For the year ended December 31,						For the seven months ended July 31,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)									
							(unaudited)			
Chinese Mainland	185,302	34.1	216,355	33.5	303,744	36.2	153,623	33.2	237,792	39.2
Americas	244,320	44.9	284,195	44.1	349,435	41.7	207,537	44.9	237,610	39.2
— The United States	236,843	43.6	274,767	42.6	335,859	40.1	198,585	43.0	231,164	38.2
— Canada	7,263	1.3	9,076	1.4	13,252	1.6	8,782	1.9	6,227	1.0
— Others[(1)]	214	0.0	352	0.1	324	0.0	170	0.0	219	0.0
Europe	78,493	14.4	89,378	13.9	119,280	14.2	65,016	14.1	85,252	14.1
— The United Kingdom	17,958	3.3	18,713	2.9	27,113	3.2	15,612	3.4	18,435	3.0
— Germany	15,093	2.8	19,761	3.1	22,538	2.7	12,896	2.8	18,369	3.0
— France	12,122	2.2	11,791	1.8	18,757	2.2	10,086	2.2	9,096	1.5
— Switzerland	9,681	1.8	10,434	1.6	16,101	1.9	8,960	1.9	11,110	1.8
— Others[(2)]	23,639	4.3	28,679	4.5	34,771	4.2	17,462	3.8	28,242	4.8

	For the year ended December 31,						For the seven months ended July 31,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)									
							(unaudited)			
Other countries/regions	35,538	6.6	55,095	8.5	65,659	7.9	36,207	7.8	45,523	7.5
— South Korea	12,489	2.3	20,970	3.3	26,639	3.2	14,826	3.2	18,432	3.0
— Japan	6,840	1.3	10,247	1.6	11,388	1.4	6,993	1.5	8,276	1.4
— India	4,490	0.8	6,163	1.0	9,198	1.1	4,814	1.0	7,404	1.2
— Others[3]	11,719	2.2	17,715	2.6	18,434	2.2	9,574	2.1	11,411	1.9
Total	**543,653**	**100.0**	**645,023**	**100.0**	**838,118**	**100.0**	**462,383**	**100.0**	**606,177**	**100.0**

Note:

(1) Others under Americas mainly included Brazil.

(2) Others under Europe mainly included Netherlands and Belgium.

(3) Others under other countries/regions mainly included Taiwan of China, Singapore and Australia.

Benefiting from the continuous growth in our customers and sales channels, our revenue generated from both direct sales and distribution maintained steady growth during the Track Record Period. The following table sets forth a breakdown of our revenue by sales model for the periods indicated:

	For the year ended December 31,						For the seven months ended July 31,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)									
							(unaudited)			
Direct sales	404,168	74.3	481,266	74.6	630,368	75.2	343,136	74.2	455,798	75.2
Distribution	139,485	25.7	163,757	25.4	207,750	24.8	119,247	25.8	150,379	24.8
Total	**543,653**	**100.0**	**645,023**	**100.0**	**838,118**	**100.0**	**462,383**	**100.0**	**606,177**	**100.0**

Cost of Sales

Our cost of sales primarily represented (i) raw materials consumed, (ii) employee benefit expenses (excluding share-based payment expenses), (iii) depreciation and amortization, (iv) logistics expenses which represent transportation costs for delivery of our products to customers, (v) professional service fees, including outsourcing service fees, (vi) business hospitality, office and traveling expenses, and (vii) others, primarily including property fees and expense relating to short-term leases and leases of low-value assets, as adjusted by changes in finished goods and work in progress and provision for impairment of inventories.

The table below sets forth a breakdown of our cost of sales by nature in absolute amount and as a percentage of our production cost attributable to our sale of products for the periods indicated:

	For the year ended December 31,						For the seven months ended July 31,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)									
							(unaudited)			
Raw materials consumed	35,620	29.1	42,146	28.6	55,103	27.5	32,581	28.1	26,137	26.8
Employee benefit expenses, excluding share-based payment expenses	39,721	32.5	52,587	35.7	82,673	41.2	45,073	38.9	40,613	41.7
Depreciation and amortization	19,855	16.2	24,944	16.9	35,224	17.6	20,648	17.8	14,621	15.0
Logistics expenses	14,423	11.8	9,627	6.5	11,389	5.7	7,035	6.1	8,137	8.3
Professional service fees, including outsourcing service	6,016	4.9	11,047	7.5	7,665	3.8	4,951	4.3	522	0.5
Business hospitality, office and traveling expenses	2,105	1.7	3,156	2.1	7,459	3.7	5,014	4.3	3,576	3.7
Others[(1)]	4,611	3.8	3,977	2.7	1,085	0.5	656	0.5	3,900	4.0
Subtotal	**122,351**	**100.0**	**147,484**	**100.0**	**200,598**	**100.0**	**115,958**	**100.0**	**97,506**	**100.0**
— Changes in finished goods and work-in-progress	(74,863)		(88,998)		(126,469)		(76,352)		(41,075)	
— Provision for impairment of inventories	37,648		39,757		64,420		39,851		45,938	
Total cost of sales	**85,136**		**98,243**		**138,549**		**79,457**		**102,369**	

Note:

(1) Others primarily include property management fees and expense relating to short-term leases and leases of low-value assets for production purposes.

Gross Profit and Gross Profit Margin

The table below sets forth our gross profit and gross profit margin by business line for the periods indicated:

	For the year ended December 31,						For the seven months ended July 31,			
	2023		2024		2025		2025		2026	
	Gross Profit	Gross Profit Margin *(%)*	Gross Profit	Gross Profit Margin *(%)*	Gross Profit	Gross Profit Margin *(%)*	Gross Profit	Gross Profit Margin *(%)*	Gross Profit	Gross Profit Margin *(%)*
	(RMB in thousands, except for percentages)									
							(unaudited)			
Recombinant proteins	398,959	87.4	461,876	86.2	577,067	85.0	321,409	85.1	414,448	85.2
Antibodies	25,087	88.6	27,969	85.7	32,551	83.0	18,716	82.2	23,027	84.7
Analytical assay kits	14,702	77.2	17,587	78.5	26,887	72.4	12,749	70.1	21,759	71.6
Technical services	11,881	76.7	15,310	87.7	13,325	78.0	5,967	71.8	12,340	70.5
Others[(1)]	7,888	32.5	24,038	65.3	49,739	75.7	24,085	67.6	32,234	72.1
Total	**458,517**	**84.3**	**546,780**	**84.8**	**699,569**	**83.5**	**382,926**	**82.8**	**503,808**	**83.1**

Note:

(1) Others primarily included functional cell lines, cell culture media and other products and services.

The following table sets out the information about our gross profit and gross profit margin based on the sales model for the periods indicated:

	For the year ended December 31,						For the seven months ended July 31,			
	2023		2024		2025		2025		2026	
	Gross Profit	Gross Profit Margin *(%)*	Gross Profit	Gross Profit Margin *(%)*	Gross Profit	Gross Profit Margin *(%)*	Gross Profit	Gross Profit Margin *(%)*	Gross Profit	Gross Profit Margin *(%)*
	(RMB in thousands, except for percentages)									
							(unaudited)			
Direct sales	341,531	84.5	408,873	85.0	525,318	83.3	282,275	82.3	379,042	83.2
Distribution	116,986	83.9	137,907	84.2	174,251	83.9	100,651	84.4	124,766	83.0
Total	**458,517**	**84.3**	**546,780**	**84.8**	**699,569**	**83.5**	**382,926**	**82.8**	**503,808**	**83.1**

Other Income

Other income consisted of (i) other government grants, which had no unfulfilled condition or contingencies, (ii) amortization of deferred government grants, and (iii) interest income, which represented interest income earned from bank deposits and large-denomination certificates of deposits.

The following table sets forth the components of our other income and each component as a percentage of total other income for the periods indicated:

	For the year ended December 31,						For the seven months ended July 31,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)									
							(unaudited)			
Other government grants[(1)]	13,161	18.3	6,996	9.9	9,074	15.3	3,707	12.5	2,204	10.6
Amortization of deferred government grants	2,469	3.4	1,631	2.3	—	—	—	—	891	4.3
Interest income	56,221	78.3	61,907	87.8	50,076	84.7	25,890	87.5	17,661	85.1
	71,851	**100.0**	**70,534**	**100.0**	**59,150**	**100.0**	**29,597**	**100.0**	**20,756**	**100.0**

Note:

(1) Other government grants mainly comprise subsidies received from local government authorities in recognition of our contributions to local economic development, as well as grants to support our R&D projects. Certain government grants are conditional, and we have complied with all such conditions. The remaining other government grants are unconditional and are recognized in profit or loss upon receipt. All of the other government grants are non-recurring in nature.

Other Gains and Losses, Net

Other gains and losses primarily consisted of (i) fair value gains on financial assets at FVTPL, which are in relation to our investment in financial investment products and derivative financial instruments, (ii) net losses/gains on disposal of property, plant and equipment, right-of-use assets and intangible assets, which mainly represents the difference between the carrying amounts of such assets and the proceeds received upon their disposal, retirement or replacement, (iii) net gains on disposal of financial assets at FVTPL which mainly represents gains from our investment in wealth management products, (iv) losses on forward exchange contracts, which mainly represents losses arising from our

foreign exchange derivative transactions, (v) net foreign exchange gains/losses which are arising from the holding or settlement of foreign currency-denominated assets and liabilities, and (vi) impairment losses of property, plant and equipment.

The following table sets forth the components of our other gains and losses for the periods indicated:

	For the year ended December 31,			For the seven months ended July 31,	
	2023	2024	2025	2025	2026
			(RMB in thousands)		
				(unaudited)	
Fair value gains on financial assets at FVTPL	664	—	4,550	6,033	1,169
Net (losses)/gains on disposal of property, plant and equipment, right-of-use assets and intangible assets	(107)	(351)	(84)	67	(369)
Net gains on disposal of financial assets at FVTPL	4,635	1,558	2,349	457	2,807
Losses on forward exchange contracts	—	(3,817)	—	—	—
Net foreign exchange gains/(losses)	10,875	3,555	(9,877)	4,298	(16,611)
Impairment losses of property, plant and equipment	—	—	(3,963)	(3,963)	—
Others	(293)	(447)	(337)	224	(204)
	15,774	**498**	**(7,362)**	**7,116**	**(13,208)**

Research and Development Expenses

Research and development expenses primarily consisted of (i) employee benefit expenses; (ii) share-based payment expenses; (iii) depreciation and amortization; (iv) professional service fees, which primarily represent fees we paid to external experts for technical consultation; and (v) R&D materials consumed.

The table below sets forth the components of our research and development expenses and each component as a percentage of total research and development expenses for the periods indicated:

	For the year ended December 31,						For the seven months ended July 31,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)									
							(unaudited)			
Employee benefit expenses (excluding share-based payment expenses)	71,146	57.0	86,947	52.6	94,626	51.4	55,766	53.0	59,591	53.5
Share-based payment expenses	(836)	(0.7)	2,303	1.4	4,338	2.4	1,285	1.2	3,512	3.2
Depreciation and amortization	20,139	16.1	24,161	14.6	24,036	13.1	14,177	13.5	15,585	14.0
Professional service fees	8,216	6.6	8,531	5.2	7,575	4.1	3,891	3.7	3,567	3.2
R&D materials consumed	22,524	18.0	37,144	22.5	41,261	22.4	23,314	22.2	24,044	21.6
Others[(1)]	3,726	3.0	6,264	3.7	12,337	6.6	6,690	6.4	5,134	4.5
Total	**124,915**	**100.0**	**165,350**	**100.0**	**184,173**	**100.0**	**105,123**	**100.0**	**111,433**	**100.0**

Note:

(1) Others primarily included property management fees and expense relating to short-term leases and leases of low-value assets for R&D purposes.

General and Administrative Expenses

General and administrative expenses primarily represented (i) employee benefit expenses, (ii) share-based payment expenses, (iii) depreciation and amortization, (iv) business hospitality, office and traveling expenses, (v) professional service fees, including auditor's remuneration, (vi) inventory write-offs, and (vii) taxes and surcharges and handling fees.

The table below sets forth the components of our general and administrative expenses and each component as a percentage of total general and administrative expenses for the periods indicated:

	For the year ended December 31,						For the seven months ended July 31,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)									
							(unaudited)			
Employee benefit expenses (excluding share-based payment expenses)	49,412	55.8	64,231	55.6	71,745	49.2	39,477	52.5	50,655	49.2
Share-based payment expenses	(2,063)	(2.3)	2,759	2.4	5,837	4.0	1,588	2.1	6,285	6.1
Depreciation and amortization	9,294	10.5	13,180	11.4	19,256	13.2	11,260	15.0	13,478	13.1
Business hospitality, office and traveling expenses	10,738	12.1	15,302	13.2	16,643	11.4	8,629	11.5	11,989	11.6
Professional service fees, including auditor's remuneration	6,037	6.8	5,752	5.0	8,988	6.2	6,655	8.9	5,363	5.2
Inventory write-offs	5,997	6.8	2,050	1.8	7,149	4.9	60	0.1	2,147	2.1
Taxes and surcharges and handling fees	4,273	4.8	4,815	4.2	6,989	4.8	3,054	4.1	8,545	8.3
Others	4,907	5.5	7,431	6.4	9,258	6.3	4,426	5.8	4,529	4.4
Total	**88,595**	**100.0**	**115,520**	**100.0**	**145,865**	**100.0**	**75,149**	**100.0**	**102,991**	**100.0**

Note:

(1) Others primarily included property management fees and expense relating to short-term leases and leases of low-value assets for general and administrative purposes.

Selling Expenses

Selling expenses primarily represented (i) employee benefit expenses, (ii) share-based payment expenses, (iii) depreciation and amortization, (iv) business hospitality, office and traveling expenses, (v) advertisement and business promotion expenses, and (vi) logistics expenses, which represented transportation costs for delivery of our products from our production base to our domestic or overseas warehouses. The table below sets forth the components of our selling expenses and the components as a percentage of total selling expenses for the periods indicated:

	For the year ended December 31,						For the seven months ended July 31,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)									
							(unaudited)			
Employee benefit expenses (excluding share-based payment expenses)	86,201	51.4	115,022	55.5	129,600	52.1	72,588	49.7	94,953	57.9
Share-based payment expenses	(3,028)	(1.8)	1,341	0.6	3,448	1.4	888	0.6	3,277	2.0
Depreciation and amortization	10,190	6.1	9,991	4.8	9,622	3.9	5,339	3.7	6,149	3.7
Business hospitality, office and traveling expenses	11,730	7.0	11,140	5.4	15,187	6.1	9,491	6.5	10,408	6.3
Advertisement and business promotion expenses	51,996	31.0	53,693	25.9	70,062	28.2	46,373	31.7	37,852	23.1
Logistics expenses	3,841	2.3	5,248	2.5	6,931	2.8	4,562	3.1	2,791	1.7
Others[(1)]	6,693	4.0	10,660	5.3	14,027	5.5	6,852	4.7	8,603	5.3
Total	**167,623**	**100.0**	**207,095**	**100.0**	**248,877**	**100.0**	**146,093**	**100.0**	**164,033**	**100.0**

Note:

(1) Others primarily included property management fees and expense relating to short-term leases and leases of low-value assets for sales and marketing purposes.

Net Impairment Losses Recognized on Financial Assets

Our net impairment losses recognized on financial assets represented (i) the impairment losses recognized on trade and notes receivables, and (ii) impairment losses recognized on other receivables. The table below sets forth the components of our net impairment losses recognized on financial assets for the periods indicated:

	For the year ended December 31,			For the seven months ended July 31,	
	2023	2024	2025	2025	2026
	(RMB in thousands)				
				(unaudited)	
Impairment losses recognized on trade and notes receivables	683	1,504	2,131	1,226	2,602
Impairment losses recognized on other receivables[(1)]	1,028	667	1,965	133	73
	1,711	**2,171**	**4,096**	**1,359**	**2,675**

Note:

(1) Other receivables here primarily include rental deposits and bidding guarantee deposits.

Finance Costs

Finance costs represented (i) interest expense on lease liabilities, which mainly represents deemed interest on lease liabilities; and (ii) interest expense on borrowings, which primarily represents interest payable on bank loans. The following table sets forth the components of our finance costs for the periods indicated:

	For the year ended December 31,			For the seven months ended July 31,	
	2023	2024	2025	2025	2026
	(RMB in thousands)				
				(unaudited)	
Interest expense on lease liabilities	2,686	2,316	1,787	1,146	759
Interest expense on borrowings	9	1,227	902	800	250
	2,695	**3,543**	**2,689**	**1,946**	**1,009**

Share of Results of Associates, net

During the Track Record Period, our share of results of associate, net primarily related to our investments in certain associates in the PRC and U.S.. In 2023, 2024, 2025 and the seven months ended July 31, 2025 and 2026, our share of results of associate, net amounted to RMB66 thousand, RMB782 thousand, RMB3.7 million, RMB1.2 million and RMB3.0 million, respectively.

Income Tax Expense

We are subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of us are domiciled and operate. In 2023, 2024, 2025 and the seven months ended July 31, 2025 and 2026, our income tax expense was RMB13.1 million, RMB4.9 million, RMB4.5 million, RMB1.3 million and RMB9.4 million, respectively.

Under the PRC Enterprise Income Tax Law and the respective regulations, the EIT for our Company and its subsidiaries are calculated at a statutory rate of 25%, on their estimated taxable profits for the year. During the Track Record Period, pursuant to PRC Enterprise Income Tax Law and the respective regulations, our Company have obtained High and New Technology Enterprises certification ("**HNTE**") and EIT for our Company entitled to a preferential corporate income tax rate of 15%. During the Track Record Period, certain subsidiaries of our Group have obtained HNTE and hence they are entitled to a preferential corporate income tax rate of 15% for a valid period of three years. During the Track Record Period, certain subsidiaries of our Group were qualified for Small- and Micro-sized Enterprises and entitled to a preferential income tax rate. See Note 12 to the Accountants' Report as set out in Appendix I to this document.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Seven Months ended July 31, 2026 Compared to Seven Months ended July 31, 2025

Revenue

Our revenue increased by 31.1% from RMB462.4 million in the seven months ended July 31, 2025 to RMB606.2 million in the seven months ended July 31, 2026, primarily due to increased revenue from sales of recombinant proteins.

Revenue by product type

Our revenue derived from sales of recombinant proteins increased by 28.8% from RMB377.5 million in the seven months ended July 31, 2025 to RMB486.4 million in the seven months ended July 31, 2026, primarily due to (i) growing market demand for our recombinant proteins, as the sales volume increased from 24,795 mg in the seven months ended July 31, 2025 to 31,641 mg in the seven months ended July 31, 2026, with the average selling price also increasing from RMB15.2 thousand/mg to RMB15.4 thousand/mg over the same period, and (ii) our increased global sales, which drove further revenue growth by enabling us to better serve high-end customers and expand our customer base.

Our revenue from sales of antibodies increased by 19.4% from RMB22.8 million in the seven months ended July 31, 2025 to RMB27.2 million in the seven months ended July 31, 2026, primarily due to the increase in average selling price from RMB7.9 thousand/mg to RMB12.2 thousand/mg, despite a decrease in sales volume from 2,876 mg to 2,220 mg over the same period, mainly because antibody products vary significantly in unit price and specification size depending on their characteristics, where in the seven months ended July 31, 2025, we recorded higher sales of products with lower unit prices and larger specifications, which contributed less to revenue but drove up sales volume by weight, whereas a subsequent decrease in customer demand for such products in the seven months ended July 31, 2026 led to a decline in overall sales volume and a higher overall average selling price.

Our revenue from sales of analytical assay kits increased by 67.1% from RMB18.2 million in the seven months ended July 31, 2025 to RMB30.4 million in the seven months ended July 31, 2026, primarily due to growing market demand for our analytical assay kits, as the sales volume increased from 5,750 units in the seven months ended July 31, 2025 to 8,545 units in the seven months ended July 31, 2026, with the average selling price also increasing from RMB3.2 thousand/unit to RMB3.6 thousand/unit over the same period.

Our revenue from technical services increased significantly from RMB8.3 million in the seven months ended July 31, 2025 to RMB17.5 million in the seven months ended July 31, 2026, primarily due to growing market demand for our technical services, as the number of technical services provided increased from 315 units in the seven months ended July 31, 2025 to 597 units in the seven months ended July 31, 2026, while the average selling price also increased from RMB26.4 thousand/unit to RMB29.3 thousand/unit over the same period.

Our revenue from others increased by 25.6% from RMB35.6 million in the seven months ended July 31, 2025 to RMB44.7 million in the seven months ended July 31, 2026, primarily due to the increase in sales of functional cell line products.

Cost of Sales

Our cost of sales increased by 28.8% from RMB79.5 million in the seven months ended July 31, 2025 to RMB102.4 million in the seven months ended July 31, 2026, primarily due to (i) a decrease in finished goods and work in progress in line with our higher product sales, and (ii) an increase in provision for impairment of inventories mainly as a result of the increase in our inventory balance, partially offset by (i) a decrease in raw materials consumed as we optimized our inventory management; (ii) a decrease in depreciation and amortization, primarily because certain fixed assets put into operation in prior years had become fully depreciated, while depreciation expenses in 2025 were relatively high following the commencement of operations of Suzhou Factory (Phase I) in 2024; and (iii) a decrease in employee benefit expenses as a result of streamlining our production workforce.

Gross Profit and Gross Profit Margin

Our gross profit increased by 31.6% from RMB382.9 million in the seven months ended July 31, 2025 to RMB503.8 million in the seven months ended July 31, 2026. Our gross profit margin increased from 82.8% in the seven months ended July 31, 2025 to 83.1% in the seven months ended July 31, 2026.

Our gross profit from sales of recombinant proteins increased by 28.9% from RMB321.4 million in the seven months ended July 31, 2025 to RMB414.4 million in the seven months ended July 31, 2026, primarily due to the growing market demand for our recombinant proteins, as the sales volume of our recombinant proteins increased from 24,795 mg in the seven months ended July 31, 2025 to 31,641 mg in the seven months ended July 31, 2026, with the average selling price also increasing from RMB15.2 thousand/mg to RMB15.4 thousand/mg over the same period. Our gross profit margin from sales of recombinant proteins remained relatively stable at 85.1% in the seven months ended July 31, 2025 and 85.2% in the seven months ended July 31, 2026.

Our gross profit from sales of antibodies increased by 23.0% from RMB18.7 million in the seven months ended July 31, 2025 to RMB23.0 million in the seven months ended July 31, 2026. Our gross profit margin from sales of antibodies increased from 82.2% in the seven months ended July 31, 2025 to 84.7% in the seven months ended July 31, 2026, primarily due to increased sales of antibody products with higher gross profit margins in response to customer demand.

Our gross profit from sales of analytical assay kits increased by 70.7% from RMB12.7 million in the seven months ended July 31, 2025 to RMB21.8 million in the seven months ended July 31, 2026. Our gross profit margin from sales of analytical assay kits increased from 70.1% in the seven months ended July 31, 2025 to 71.6% in the seven months ended July 31, 2026, primarily due to greater economies of scale resulting from the increase in our sales volume.

Our gross profit from technical services increased significantly from RMB6.0 million in the seven months ended July 31, 2025 to RMB12.3 million in the seven months ended July 31, 2026. Our gross profit margin from technical services decreased from 71.8% in the seven months ended July 31, 2025 to 70.5% in the seven months ended July 31, 2026, primarily reflecting differences in the complexity, duration and other characteristics of the technical service projects undertaken during the respective periods.

Our gross profit from others increased by 33.8% from RMB24.1 million in the seven months ended July 31, 2025 to RMB32.2 million in the seven months ended July 31, 2026. Our gross profit margin from others increased from 67.6% in the seven months ended July 31, 2025 to 72.1% in the seven months ended July 31, 2026, primarily due to the increased growth of functional cell lines business, which normally had a higher profit margin compared to other products and services.

Other Income

Our other income decreased by 29.9% from RMB29.6 million in the seven months ended July 31, 2025 to RMB20.8 million in the seven months ended July 31, 2026, primarily due to the decrease in interest income, mainly reflecting changes in our treasury management and fund allocation strategy. In the seven months ended July 31, 2026, we allocated a larger portion of our funds to wealth management products instead of time deposits and certificates of deposit, and the returns generated from such wealth management products were recognized as fair value changes and investment income rather than interest income.

Other Gains and Losses, Net

We recorded other gains of RMB7.1 million in the seven months ended July 31, 2025 and other losses of RMB13.2 million in the seven months ended July 31, 2026, primarily due to (i) a shift from net foreign exchange gains in the seven months ended July 31, 2025 to net foreign exchange losses in the seven months ended July 31, 2026, mainly as a result of the appreciation of RMB against U.S. dollars, and (ii) the decrease in fair value gains on financial assets at FVTPL in relation to our investment in financial investment products and derivative financial instruments; partially offset by the impairment losses of property, plant and equipment in the seven months ended July 31, 2025 in relation to the relocation of a subsidiary's operating premises, which rendered the remaining unamortized renovation costs irrecoverable through subsequent operations.

Research and Development Expenses

Our research and development expenses increased by 6.0% from RMB105.1 million in the seven months ended July 31, 2025 to RMB111.4 million in the seven months ended July 31, 2026, primarily due to an increase in employee benefit expenses mainly driven by an increase in R&D headcount and higher personnel costs associated with expanded R&D activities.

General and Administrative Expenses

Our general and administrative expenses increased by 37.0% from RMB75.1 million in the seven months ended July 31, 2025 to RMB103.0 million in the seven months ended July 31, 2026, primarily due to an increase in employee benefit expenses mainly driven by an increase in our administrative personnel in line with our business growth.

Selling Expenses

Our selling expenses increased by 12.3% from RMB146.1 million in the seven months ended July 31, 2025 to RMB164.0 million in the seven months ended July 31, 2026, primarily due to an increase in employee benefit expenses mainly driven by an increase in our sales and marketing personnel in line with our business growth, partially offset by a decrease in advertisement and business promotion expenses mainly as we proactively optimized our allocation of marketing resources and streamlined certain advertising and promotional activities.

Net Impairment Losses Recognized on Financial Assets

Our net impairment losses recognized on financial assets increased by 96.8% from RMB1.4 million in the seven months ended July 31, 2025 to RMB2.7 million in the seven months ended July 31, 2026, primarily due to an increase in impairment losses recognized on trade and notes receivables in line with the growth in our sales.

Finance Costs

Our finance costs decreased by 48.2% from RMB1.9 million in the seven months ended July 31, 2025 to RMB1.0 million in the seven months ended July 31, 2026, primarily due to (i) the decrease in interest expense on borrowings as a result of the capitalization of borrowings in connection with the construction of our production base in Beijing, and (ii) the decrease in interest expense on lease liabilities as a result of the non-renewal of certain leases upon their expiry.

Income Tax Expense

Our income tax expense increased significantly from RMB1.3 million in the seven months ended July 31, 2025 to RMB9.4 million in the seven months ended July 31, 2026, primarily due to higher profit before income tax in the seven months ended July 31, 2026.

Profit for the Period

As a result of the foregoing, our profit for the period increased by 36.7% from RMB89.8 million in the seven months ended July 31, 2025 to RMB122.8 million in the seven months ended July 31, 2026.

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

Our revenue increased by 29.9% from RMB645.0 million in 2024 to RMB838.1 million in 2025, primarily as a result of increased revenue from sales of recombinant proteins.

Our revenue from sales of recombinant proteins increased by 26.7% from RMB535.7 million in 2024 to RMB679.0 million in 2025, primarily due to (i) growing demand for recombinant proteins with the average selling price of recombinant proteins increasing from RMB12.2 thousand/mg in 2024 to RMB15.7 thousand/mg in 2025 as a higher proportion of our sales in 2024 was attributable to products with larger specifications, which generally had lower average selling prices, while the sales volume of recombinant proteins remained relatively stable at 44,032 mg and 43,157 mg in 2024 and 2025, respectively; (ii) our continuous R&D investment leading to an expanded product portfolio covering a broad range of drug targets, mechanisms of action and innovative therapeutic modalities, with product lines such as Cytokine Targets, ADC and CAR Targets contributing to our rapid revenue growth; and (iii) our increased global sales, which further drove our revenue growth by enabling us to better serve high-end customers and expand our customer base.

Our revenue from sales of antibodies increased by 20.1% from RMB32.6 million in 2024 to RMB39.2 million in 2025, primarily due to our more diversified product portfolio, covering a wider range of molecules and antigens. While our average selling prices of antibodies decreased from RMB13.1 thousand/mg in 2024 to RMB8.9 thousand/mg in 2025 driven by the introduction of new antibody products with relatively lower prices, the sales volume increased from 2,489 mg to 4,415 mg over the same years. Consequently, revenue contribution from sales volume growth more than offset the decrease in average selling prices.

Our revenue from sales of analytical assay kits increased by 65.8% from RMB22.4 million in 2024 to RMB37.2 million in 2025, primarily due to our successful development and launch of new analytical assay kits. Benefitting from this, our sales volume of analytical assay kits increased 7,840 units in 2024 to 10,961 units in 2025, while the average selling prices also increased from RMB2.9 thousand/unit to RMB3.4 thousand/unit over the same years in line with the higher market demand.

Our revenue from technical services remained relatively stable at RMB17.4 million and RMB17.1 million in 2024 and 2025, respectively.

Our revenue from others increased by 78.4% from RMB36.8 million in 2024 to RMB65.7 million in 2025, primarily due to the increase in sales of functional cell line products in line with the higher market demand.

Cost of Sales

Our cost of sales increased by 41.0% from RMB98.2 million in 2024 to RMB138.5 million in 2025. The increase was mainly attributable to (i) an increase in raw materials consumed in line with the growth in our sales; (ii) an increase in employee benefit expenses as a result of an increase in our production personnel, (iii) an increase in depreciation and amortization after our Suzhou Factory (Phase I) was put into use in 2024; and (iv) an increase in provision for impairment of inventories in line with the increase in our inventories, partially offset by an increase in finished goods and work in progress in line with our business growth.

Gross Profit and Gross Profit Margin

Our gross profit increased by 27.9% from RMB546.8 million in 2024 to RMB699.6 million in 2025. Our gross profit margin decreased slightly from 84.8% in 2024 to 83.5% in 2025.

Our gross profit from sales of recombinant proteins increased by 24.9% from RMB461.9 million in 2024 to RMB577.1 million in 2025. Our gross profit margin from recombinant proteins decreased slightly from 86.2% in 2024 to 85.0% in 2025, primarily due to fluctuations in customer demand across our various recombinant protein products, which carried different profit margins.

Our gross profit from sales of antibodies increased by 16.4% from RMB28.0 million in 2024 to RMB32.6 million in 2025. Our gross profit margin from antibodies decreased from 85.7% in 2024 to 83.0% in 2025, primarily due to further expansion of our antibodies portfolio, with certain newly introduced products, such as monoclonal anti-MMAE&MMAF antibodies, carrying relatively lower gross profit margins.

Our gross profit from sales of analytical assay kits increased by 52.9% from RMB17.6 million in 2024 to RMB26.9 million in 2025. Our gross profit margin from sales of analytical assay kits decreased from 78.5% in 2024 to 72.4% in 2025, primarily due to further expansion of our analytical assay kits portfolio, with certain newly introduced products, such as carcinoembryonic antigen analytical assay kits, carrying relatively lower gross profit margins.

Our gross profit from technical services decreased by 13.0% from RMB15.3 million in 2024 to RMB13.3 million in 2025. Our gross profit margin from technical services decreased from 87.7% in 2024 to 78.0% in 2025, primarily due to the increased customer need for technical services in areas such as anti-drug antibodies and biolayer interferometry (a label-free technique detecting biomolecular interactions via biosensor-bound layer interference pattern shifts) in 2025, which had relatively lower gross profit margins compared to our then existing technical services.

Our gross profit from others increased significantly from RMB24.0 million in 2024 to RMB49.7 million in 2025. Our gross profit margin from others increased from 65.3% in 2024 to 75.7% in 2025, primarily driven by an increase in sales of higher-margin functional cell lines, with their revenue contribution rising from 1.9% in 2024 to 2.7% in 2025.

Other Income

Our other income decreased by 16.1% from RMB70.5 million in 2024 to RMB59.2 million in 2025. This decrease was mainly due to a decrease in interest income reflecting higher levels of bank deposits in 2024 and lower average balances of interest-bearing deposits in 2025, partially offset by an increase in government grants received in 2025, which primarily comprised one-off employment subsidies, incentives for renovation and utilization of old factory buildings and industry support grants.

Other Gains and Losses, Net

We recorded net other gains of RMB0.5 million in 2024 and net other losses of RMB7.4 million in 2025. This change was primarily due to (i) the net foreign exchange losses in 2025 in line with the appreciation of the RMB against the U.S dollars as compared to the net foreign exchange gains in 2024, and (ii) the impairment losses of property, plant and equipment in 2025 in relation to the relocation of a subsidiary's operating premises, which rendered the remaining unamortized renovation costs irrecoverable through subsequent operations, partially offset by the fair value gains on financial assets at FVTPL in relation to our investment in financial investment products and derivative financial instruments.

Research and Development Expenses

Our research and development expenses increased by 11.4% from RMB165.4 million in 2024 to RMB184.2 million in 2025, primarily driven by (i) an increase in employee benefit expenses as a result of an increase in the number of our R&D personnel and higher personnel costs associated with expanded R&D activities, and (ii) an increase in R&D materials consumed, as a result of expanded product development and testing during the year.

General and Administrative Expenses

Our general and administrative expenses increased by 26.3% from RMB115.5 million in 2024 to RMB145.9 million in 2025. The increase was primarily driven by (i) an increase in employee benefit expenses due to an increase in the number of our administrative personnel, (ii) an increase in depreciation and amortization due to additional assets being put into use during the year, and (iii) an increase in professional services fees including auditor's remuneration due to higher utilization of external professional services.

Selling Expenses

Our selling expenses increased by 20.2% from RMB207.1 million in 2024 to RMB248.9 million in 2025. The increase was primarily driven by (i) an increase in advertisement and business promotion expenses as a result of enhanced marketing activities, brand promotion initiatives and market expansion efforts, and (ii) an increase in employee benefit expenses due to an increase in the number of our sales and marketing personnel.

Net Impairment Losses Recognized on Financial Assets

Our net impairment losses recognized on financial assets increased by 88.7% from RMB2.2 million in 2024 to RMB4.1 million in 2025, primarily attributable to an increase in impairment losses recognized on receivables in line with our business growth.

Finance Costs

Our finance costs decreased by 24.1% from RMB3.5 million in 2024 to RMB2.7 million in 2025, primarily due to (i) the decrease in interest expense on lease liabilities mainly attributable to the expiry of certain lease contracts, and (ii) the decrease in interest expense on borrowings.

Income Tax Expense

Our income tax expense decreased by 8.1% from RMB4.9 million in 2024 to RMB4.5 million in 2025, primarily due to the utilization of tax losses carried forward from prior years to offset taxable profits in 2025.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 37.3% from RMB120.0 million in 2024 to RMB164.8 million in 2025.

Year Ended December 31, 2024 Compared to the Year Ended December 31, 2023

Revenue

Our revenue increased by 18.6% from RMB543.7 million in 2023 to RMB645.0 million in 2024, mainly due to sustained demand from biopharmaceutical research activities, increased production capacity and output, continued expansion of our recombinant protein product portfolio into additional application areas and growth in overseas sales.

Our revenue from sales of recombinant proteins increased by 17.3% from RMB456.5 million in 2023 to RMB535.7 million in 2024, primarily due to (i) growing demand for recombinant proteins with the sales volume of recombinant proteins increasing from 30,467 mg in 2023 to 44,032 mg in 2024, even though the average selling price decreased from RMB15.0 thousand/mg in 2023 to RMB12.2 thousand/mg in 2024 mainly attributable to increased sales volume of lower-priced products with larger specifications in 2024, which brought down our average selling price; (ii) our continuous R&D investment leading to an expanded product portfolio covering a broad range of drug targets, mechanisms of action and innovative therapeutic modalities across broad, emerging and niche applications in biopharmaceutical R&D, which contribute to our rapid revenue growth; and (iii) our increased global sales, which drove further revenue growth by enabling us to better serve high-end customers and expand our customer base.

Our revenue from sales of antibodies increased by 15.2% from RMB28.3 million in 2023 to RMB32.6 million in 2024, primarily due to growth in sales of our existing products and new products launched, with the sales volume of antibodies increasing from 1,248 mg in 2023 to 2,416 mg in 2024, even though the average selling prices decreased from RMB22.7 thousand/mg in 2023 to RMB13.1 thousand/mg in 2024 mainly driven by the introduction of new antibody products with relatively lower prices in 2024.

Our revenue from sales of analytical assay kits increased by 17.7% from RMB19.0 million in 2023 to RMB22.4 million in 2024, primarily due to the rise of ADC therapy in recent years, which has led to rapid growth in revenue from corresponding analytical assay kit products, with the sales volume of analytical assay kits increasing from 6,257 units in 2023 to 7,840 units in 2024, while the average selling price remained relatively stable at RMB3.0 thousand/unit and RMB2.9 thousand/unit in 2023 and 2024, respectively.

Our revenue from technical services increased by 12.6% from RMB15.5 million in 2023 to RMB17.4 million in 2024, primarily due to technical services continuing to serve as a key complementary offering to our core products, as the number of technical services provided increased from 558 units in 2023 to 596 units in 2024, while the average selling price also increased from RMB27.8 thousand/unit to RMB29.3 thousand/unit over the same period.

Our revenue from others increased by 51.6% from RMB24.3 million in 2023 to RMB36.8 million in 2024, primarily due to the increase in sales of functional cell lines.

Cost of Sales

Our cost of sales increased by 15.4% from RMB85.1 million in 2023 to RMB98.2 million in 2024 primarily as a result of (i) an increase in raw materials consumed in line with the growth in our sales; (ii) an increase in employee benefit expenses due to an increase in our production personnel; (iii) an increase in depreciation and amortization primarily as a result of our Suzhou Factory (Phase I) commencing operations; and (iv) an increase in professional services fees including outsourcing service fees due to an increase in CDMO expenses, partially offset by an increase in finished goods and work in progress in line with our business growth.

Gross Profit and Gross Profit Margin

Our gross profit increased by 19.2% from RMB458.5 million in 2023 to RMB546.8 million in 2024. Our gross profit margin remained relatively stable at 84.8% in 2024 compared to 84.3% in 2023.

Specifically, our gross profit derived from sales of recombinant proteins increased by 15.8% from RMB399.0 million in 2023 to RMB461.9 million in 2024. Our gross profit margin from sales of recombinant proteins decreased slightly from 87.4% in 2023 to 86.2% in 2024, primarily due to fluctuations in customer demand across our various recombinant protein products, which carried different profit margins.

Our gross profit from sales of antibodies increased by 11.5% from RMB25.1 million in 2023 to RMB28.0 million in 2024. Our gross profit margin from sales of antibodies decreased from 88.6% in 2023 to 85.7% in 2024, primarily due to changes in product mix and higher unit production and quality control costs associated with the expansion of product specifications and customized orders during the year.

Our gross profit from sales of analytical assay kits increased by 19.6% from RMB14.7 million in 2023 to RMB17.6 million in 2024. Our gross profit margin from sales of analytical assay kits remained relatively stable at 77.2% in 2023 and 78.5% in 2024.

Our gross profit from technical services increased by 28.9% from RMB11.9 million in 2023 to RMB15.3 million in 2024. Our gross profit margin from technical services increased from 76.7% in 2023 to 87.7% in 2024, primarily due to an increased contribution from higher-margin service projects and improved utilization of service resources, which enhanced overall service efficiency.

Our gross profit from others increased by 204.7% from RMB7.9 million in 2023 to RMB24.0 million in 2024. Our gross profit margin from others increased from 32.5% in 2023 to 65.3% in 2024, primarily due to the increased growth of functional cell lines business, which normally had a higher profit margin compared to other products and services.

Other Income

Our other income decreased by 1.8% from RMB71.9 million in 2023 to RMB70.5 million in 2024, primarily due to a decrease in other government grants because certain one-off local government subsidies received in 2023 did not recur in 2024. This decrease was largely offset by an increase in interest income reflecting higher levels of bank deposits in 2024 and our relatively high level of time deposits and transferable large-denomination certificates of deposits during the year.

Other Gains, Net

Our other gains decreased by 96.8% from RMB15.8 million in 2023 to RMB0.5 million in 2024, mainly due to a decrease in net foreign exchange gains, which was attributable to the appreciation of the RMB in 2024, together with the expansion of overseas operations, which increased our exposure to exchange rate fluctuations.

Research and Development Expenses

Our research and development expenses increased by 32.4% from RMB124.9 million in 2023 to RMB165.4 million in 2024, primarily driven by (i) an increase in employee benefit expenses led by due to an increase in R&D headcount and higher personnel costs associated with expanded R&D activities, and (ii) an increase in R&D materials consumed, as a result of intensified R&D activities, including expanded product development, testing and validation.

General and Administrative Expenses

Our general and administrative expenses increased by 30.4% from RMB88.6 million in 2023 to RMB115.5 million in 2024. The increase was primarily due to (i) an increase in employee benefit expenses, as a result of an increase in our administrative personnel, and (ii) an increase in business hospitality, office and traveling expenses due to enhanced operational activities and increased business travel.

Selling Expenses

Our selling expenses increased by 23.5% from RMB167.6 million in 2023 to RMB207.1 million in 2024. This increase was primarily due to an increase in employee benefit expenses, as a result of an increase in our sales and marketing personnel as a result of the expansion of our sales network and overseas business.

Net Impairment Losses Recognized on Financial Assets

Our net impairment losses recognized on financial assets increased by 26.9% from RMB1.7 million in 2023 to RMB2.2 million in 2024, mainly due to an increase in impairment losses recognized on trade and notes receivables in line with the growth in our sales.

Finance Costs

Our finance costs increased by 31.5% from RMB2.7 million in 2023 to RMB3.5 million in 2024. The increase was primarily due to an increase in interest expense on borrowings as a result of higher average outstanding balance of bank borrowings during 2024 compared with 2023.

Income Tax Expense

Our income tax expense decreased by 62.8% from RMB13.1 million in 2023 to RMB4.9 million in 2024. The decrease in our income tax expense was primarily due to a lower profit before income tax in 2024.

Profit for the Year

As a result of the foregoing, our profit for the year decreased by 18.6% from RMB147.6 million in 2023 to RMB120.0 million in 2024.

DESCRIPTION OF CERTAIN KEY ITEMS FROM OUR CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth our non-current assets and liabilities as of the dates indicated:

	As of December 31,			As of July 31,
	2023	2024	2025	2026
	(RMB in thousands)			
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	400,903	488,999	529,273	644,729
Right-of-use assets	88,347	81,890	57,347	50,733
Intangible assets	11,116	12,361	10,675	10,124
Investments in associates	12,104	12,999	16,435	18,974
Financial assets at fair value through profit or loss	—	—	—	679
Financial assets at fair value through other comprehensive income	16,771	16,897	5,201	3,597
Other financial assets	—	—	356,404	517,547
Time deposits	30,803	32,068	101,154	102,441
Prepayments, other receivables and other assets	4,157	64	58,574	28,060
Deferred tax assets	53,105	65,638	84,355	100,080
	617,306	**710,916**	**1,219,418**	**1,476,964**

	As of December 31,			As of July 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Non-current liabilities				
Borrowings	—	—	55,278	78,164
Lease liabilities	38,502	24,891	12,502	5,246
Deferred income	1,631	—	90,260	139,091
Deferred tax liabilities	—	135	—	—
	40,133	**25,026**	**158,040**	**222,501**

Property, Plant and Equipment

Our property, plant and equipment primarily represent buildings, machinery and equipment, electronic equipment, transportation equipment, office and other equipment, construction in progress and leasehold improvements and others. As of December 31, 2023, 2024 and 2025 and July 31, 2026, our property, plant and equipment amounted to RMB400.9 million, RMB489.0 million, RMB529.3 million and RMB644.7 million, respectively. The following table sets forth the breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,			As of July 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Buildings	—	261,574	235,716	243,944
Machinery and equipment	67,362	125,516	132,587	154,458
Electronic equipment	3,462	16,558	12,552	10,540
Transportation equipment	1,908	1,438	1,136	874
Office and other equipment	3,580	5,083	3,999	3,419
Construction in progress	273,974	34,884	119,384	214,936
Leasehold improvements and others	50,617	43,946	23,899	16,558
Total	**400,903**	**488,999**	**529,273**	**644,729**

Our property, plant and equipment increased by 22.0% from RMB400.9 million as of December 31, 2023 to RMB489.0 million as of December 31, 2024, primarily due to (i) an increase in buildings related to the completion and capitalization of construction in progress for the Suzhou Factory (Phase I) buildings, partially offset by a decrease in construction in progress resulting from the completion of the Suzhou Factory (Phase I) in July 2024, which was transferred to property, plant and equipment during the year, together with the corresponding recognition of depreciation following the transfer of such assets into use; and (ii) an increase in machinery and equipment related to normal additions for production and operations, partially offset by disposals and depreciation during the year.

Our property, plant and equipment increased by 8.2% from RMB489.0 million as of December 31, 2024 to RMB529.3 million as of December 31, 2025, and further increased by 21.8% to RMB644.7 million as of July 31, 2026, primarily due to the increase in construction in progress, which was mainly in relation to our construction of the production base in Beijing.

Right-of-Use Assets

Our right-of-use assets represent building and land use rights. The following table sets forth the breakdown of our right-of-use assets as of the dates indicated:

	As of December 31,			As of July 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Building	62,621	57,140	33,571	27,525
Land use rights	25,726	24,750	23,776	23,208
Total	**88,347**	**81,890**	**57,347**	**50,733**

Our right-of-use assets primarily comprised land use rights and right-of-use assets recognized in respect of leased properties. Our right-of-use assets decreased from RMB88.3 million as of December 31, 2023 to RMB81.9 million as of December 31, 2024, and further decreased to RMB57.3 million as of December 31, 2025 and RMB50.7 million as of July 31, 2026, primarily attributable to the depreciation of buildings recognized during the years.

Financial Assets at Fair Value Through Other Comprehensive Income

Our non-current financial assets at fair value through other comprehensive income ("**FVTOCI**") primarily represent our unlisted equity investments in life science companies in the PRC and overseas and the related changes in their fair value. As of December 31, 2023, 2024 and 2025 and July 31, 2026, we had RMB16.8 million, RMB16.9 million, RMB5.2 million and RMB3.6 million, respectively, of non-current FVTOCI. These investments are not held for trading purposes but are held for long-term strategic purposes. Our management has elected to designate these investments as non-current FVTOCI as it believes that recognizing short-term fair value fluctuations of these investments in profit or loss would not be consistent with our Group's strategy of holding these investments for long-term purposes and realizing their long-term value potential. See note 20 in the Accountants' Report in Appendix I to this document.

In addition, we recorded current financial assets at FVTOCI of RMB22 thousand as of December 31, 2024, which represented notes receivables measured at FVTOCI.

Other Financial Assets

Our other financial assets represented transferable large-denomination certificates of deposits mainly managed by reputable licensed banks in the PRC with fixed yields. As of December 31, 2023, 2024 and 2025 and July 31, 2026, the current other financial assets amounted to RMB1,363.9 million, RMB1,012.2 million, RMB107.0 million and RMB30.7 million, respectively, and the non-current other financial assets amounted to nil, nil, RMB356.4 million and RMB517.5 million respectively. The fluctuations in our other financial assets primarily reflected our wealth products management strategies.

Prepayments, Other Receivables and Other Assets

The table below sets forth a breakdown of our prepayments, other receivables and other assets as of the dates indicated:

	As of December 31,			As of July 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Non-current				
Prepayments for acquisition of property, plant and equipment	4,157	64	58,574	28,060
Current				
Other receivables	5,852	6,783	7,527	8,337
Less: allowance for impairment	(2,209)	(3,430)	(5,395)	(5,468)
	3,643	3,353	2,132	2,869
VAT recoverable	20,031	36,921	13,366	17,476
Prepaid expenses	5,099	8,836	14,015	14,238
Prepayments for materials	315	465	1,925	1,364
[REDACTED]	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
	29,088	**49,575**	**38,686**	**54,091**

The non-current prepayments, other receivables and other assets include prepayments for acquisition of property, plant and equipment. The current prepayments, other receivables and other assets primarily include (i) other receivables; (ii) VAT recoverable; (iii) prepaid expenses, which mainly represents prepaid property management fees, advertisement and business promotion expenses; (iv) prepayments for materials; and (v) deferred **[REDACTED]**.

The non-current prepayments, other receivables and other assets decreased by 98.5% from RMB4.2 million as of December 31, 2023 to RMB0.1 million as of December 31, 2024, primarily as a result of the decrease in prepayments for the acquisition of equipment, as the relevant equipment was delivered and capitalized as property, plant and equipment in 2024. The non-current prepayments, other receivables and other assets increased significantly from RMB0.1 million as of December 31, 2024 to RMB58.6 million as of December 31, 2025, primarily as a result of prepayments we made in 2025 for the purchase of equipment. The non-current prepayments, other receivables and other assets decreased by 52.1% from RMB58.6 million as of December 31, 2025 to RMB28.1 million as of July 31, 2026, primarily as a result of the decrease in prepayments for the acquisition of equipment, as the relevant equipment was delivered and capitalized as property, plant and equipment in the seven months ended July 31, 2026.

The current prepayments, other receivables and other assets increased by 70.4% from RMB29.1 million as of December 31, 2023 to RMB49.6 million as of December 31, 2024, primarily as a result of an increase in VAT recoverable arising from increased procurements of raw materials and equipment and higher capital expenditures relating to construction-in-progress during the year. The current prepayments, other receivables and other assets decreased by 22.0% from RMB49.6 million as of December 31, 2024 to RMB38.7 million as of December 31, 2025, primarily as a result of a decrease in VAT recoverable, attributable to receipt of VAT input tax refund from tax authorities. The current prepayments, other receivables and other assets increased by 39.8% from RMB38.7 million as of December 31, 2025 to RMB54.1 million as of July 31, 2026, primarily due to the increase in deferred **[REDACTED]**.

Inventories

Our inventories include raw materials, work in progress and finished goods. The table below sets forth a breakdown of our inventories as of the dates indicated:

	As of December 31,			As of July 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Raw materials	14,362	25,535	30,095	27,881
Work in progress	111,283	148,392	193,026	196,614
Finished goods	76,717	112,669	162,780	187,663
	202,362	286,596	385,901	412,158
Less: provision for impairment	(65,644)	(89,464)	(122,160)	(155,495)
	136,718	**197,132**	**263,741**	**256,663**

Our inventories increased by 44.2% from RMB136.7 million as of December 31, 2023 to RMB197.1 million as of December 31, 2024, and further increased by 33.8% to RMB263.7 million as of December 31, 2025, primarily due to increases in work in progress and finished goods because we added products manufactured under the GMP standard to our product portfolio in 2024. These products were primarily used at our customers' clinical trial and commercialization stages and their utilization/sale was relatively slow because they were still new to the market. In addition, we maintained diversified categories of product inventory in relatively large quantities in order to meet overseas customers' demands for diversified product supply and timely delivery. Our inventories remained relatively stable at RMB263.7 million as of December 31, 2025 and RMB256.7 million as of July 31, 2026.

The following table sets out the aging analysis of our inventories as of the dates indicated:

	As of December 31,			As of July 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Within one year	95,042	122,265	156,237	130,206
One year to two years	32,496	51,504	61,306	76,607
Two years to three years	8,396	21,321	38,019	34,954
More than three years	784	2,042	8,179	14,896
Total	**136,718**	**197,132**	**263,741**	**256,663**

The following table sets forth our average inventory turnover days for the periods indicated:

	For the year ended December 31,			For the seven months ended July 31,
	2023	2024	2025	2026
		(days)		
Average inventory turnover days[(1)]	486	612	599	534

Note:

(1) The inventory turnover days for each year/period equals the average of the beginning and ending balances of inventory for that year/period divided by cost of sales and multiplied by 360 days in 2023, 2024 and 2025, or by 210 days in the seven months ended July 31, 2026.

Our inventory turnover days increased from 486 days in 2023 to 612 days in 2024, primarily because we added products manufactured under the GMP standard to our product portfolio in 2024. These products were primarily used at our customers' clinical trial and commercialization stages, and we believed the products had significant market potential. However turnover for our products manufactured under the GMP standard was relatively slow because they were still new to the market. With gradual market penetration of these products manufactured under the GMP standard, our inventory turnover days decreased to 599 days in 2025. Our inventory turnover days decreased from 599 days in 2025 to 534 days in the seven months ended July 31, 2026, primarily due to (i) higher sales volume driven by increased market demand for our products, and (ii) our optimization of procurement and production arrangements during the period with reference to our existing inventory levels and production requirements. In addition, our overall inventory turnover days were relatively high, primarily due to our overseas direct sales model. We maintain a diversified inventory across a wide range of product categories in relatively substantial volumes to satisfy overseas customers' demand for diversified product offerings and prompt delivery. Our overseas direct sales model also requires a higher level of inventory given longer international transportation lead times, complex cross-border customs clearance procedures, inherent logistics uncertainties and the need to ensure stable and timely supply to customers worldwide. According to Frost & Sullivan, given the characteristics of our products portfolio, our inventory turnover days are at a reasonable level relative to the industry average.

We have established standard operating procedures to ensure the effectiveness of our inventory management measures. First, we have clarified the division of responsibilities among functional departments: the Supply Chain Management Department is responsible for overall inventory administration, the General Management Department assists in the maintenance of warehouse infrastructure and the Data and Information Department manages warehouse access authority in accordance with internal approval requirements. Second, we adopt standardized zoned warehouse management, whereby inventories with different attributes and quality statuses are stored in separate and clearly labelled areas. Third, irregular maintenance of warehouse facilities is arranged to guarantee continuous and normal operation of storage infrastructure. Fourth, we record all stock-in and stock-out records. Regular physical inventory counts are conducted on a periodic basis, and clear protocols govern inventory transfer and disposal. At the end of each year, we evaluate inventory conditions. Products identified for disposal are destroyed in a centralized manner after obtaining required approvals, with complete records retained for traceability. Our Directors are of the view that our inventory management measures are effective.

A reasonable inventory level stabilizes our delivery capacity and ensures timely order fulfilment. With the continuous expansion of downstream customer demand, sufficient inventory has effectively improved customer satisfaction and further supported our revenue growth during the Track Record Period. However, prolonged inventory holdings bring certain operational and management pressures. Larger inventory scale increases the warehouse management workload as well as product receiving and dispatch operations. Although we have adopted the Warehouse Management System ("**WMS**") for inventory management, realized data interaction with the System Applications and Products in Data Processing ("**SAP**"), and deployed automated warehouse equipment together with sufficient warehouse space and facilities to ensure operational efficiency, high inventory volume still imposes higher requirements on daily refined management and control. Nevertheless, the majority of our products, including recombinant proteins, antibodies and functional cell lines, generally have a shelf life of five years, and 93.3%, 88.1%, 82.5% and 80.6% of our inventories as of December 31, 2023, 2024 and 2025 and July 31, 2026 had an inventory age of within two years, respectively, reflecting that our overall inventory conditions remained manageable.

Supported by our working capital reserves, the capital occupation by inventory is at a reasonable level and will not result in working capital shortages, with our overall liquidity remaining sound. Our provision for impairment losses on inventories increased from RMB65.6 million as of December 31,

2023 to RMB89.5 million as of December 31, 2024 and further increased to RMB122.2 million as of December 31, 2025 and RMB155.5 million as of July 31, 2026, primarily due to the overall growth in our inventory scale to cater to rising market demand and an expanding product offerings. Our inventory levels and corresponding impairment provisions are primarily attributable to our business model, broad product portfolio and production arrangements. We generally maintain an appropriate level of inventory to support prompt delivery across our broad product portfolio of over 5,000 SKUs as of the Latest Practicable Date, while the production cycle of our products is generally longer than the delivery lead time expected by our customers. In addition, our continuous launch of new products and minimum batch requirements in production may result in certain products being produced in quantities exceeding near-term sales demand and therefore remaining in inventory for a relatively longer period. As part of our prudent inventory management practices, we regularly assess our product quality with reference to product quality, historical turnover and expected consumption, and make appropriate impairment provisions accordingly. We fully impair inventories that fail to meet applicable quality requirements where the prospects for their subsequent sale or use are limited. Accordingly, we consider that our inventory levels and corresponding impairment provisions are reasonable in light of our business operations and inventory management practices.

As of August 31, 2026, RMB23.7 million, or 5.7%, of our inventories as of July 31, 2026 were sold or utilized. We consider the subsequent consumption and sales patterns to be broadly consistent with our inventory turnover cycle and reflective of our business model and inventory management strategy. Having considered the above factors, our Directors are of the view that the inventory provision recognized during the Track Record Period was adequate in all material respects and there is no any impairment issue for inventories. According to Frost & Sullivan, our inventory impairment rate during the Track Record Period was generally consistent with the industry average.

To continuously shorten inventory turnover days, we have formulated and implemented long-term optimization measures as follows:

- We will expand sales scale to accelerate inventory digestion. Leveraging our established customer resources, we will deepen customer cooperation, actively engage in customers' R&D as well as clinical pipelines, and continuously explore potential sales opportunities. Meanwhile, we will increase R&D investment in clinical-related products to drive order growth from industrial customers, thereby improving inventory turnover backed by steady revenue expansion.

- We will optimize demand forecasting and production stocking mechanisms. On the premise of ensuring timely delivery and maintaining appropriate safety stock, we will rationally reduce redundant stocking and control incremental inventory at the source.

- We will strengthen the disposal of existing inventory. We will enhance the inspection and clearance of expired, non-conforming and slow-moving products, establish a regular inventory clearance mechanism, appropriately lower the overall inventory balance and reduce inefficient capital occupation.

- We will continuously upgrade digital warehouse management. Supported by the interconnection of the WMS and SAP systems as well as automated warehousing systems, we will strengthen refined management of inventory inbound and outbound processes, real-time inventory monitoring and inventory ageing analysis. We will also optimize the overall scheduling capability of our global warehouses, reduce cross-regional inventory redundancy, and comprehensively improve the full-lifecycle management efficiency of our inventory.

Trade and Notes Receivables

Our trade and notes receivables primarily represent receivables from customers in connection with our sales of products and provision of services. During the Track Record Period, we typically granted to our customers credit periods within 30 to 90 days. The following table sets forth details of our trade and notes receivables as of the dates indicated:

	As of December 31,			As of July 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Trade receivables	78,240	105,767	142,925	183,387
Notes receivables	—	605	241	1,545
	78,240	106,372	143,166	184,932
Less: allowance for impairment	(3,948)	(5,461)	(7,592)	(10,184)
	74,292	**100,911**	**135,574**	**174,748**

Our trade and notes receivables increased from RMB74.3 million as of December 31, 2023 to RMB100.9 million as of December 31, 2024, and further increased to RMB135.6 million as of December 31, 2025 and RMB174.7 million as of July 31, 2026 in line with the growth in our sales. As of December 31, 2023, 2024 and 2025 and July 31, 2026, we made allowances for impairment of trade and notes receivables of RMB3.9 million, RMB5.5 million, RMB7.6 million and RMB10.2 million, respectively, based on the expected credit loss rate.

The following table sets forth the aging analysis of our trade receivables, before allowance for impairment, as of the dates indicated:

	As of December 31,			As of July 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Within one year	77,904	103,936	141,269	180,544
Over one year but within two years	271	1,710	872	1,584
Over two years but within three years	55	84	663	534
Over three years	10	37	121	725
	78,240	**105,767**	**142,925**	**183,387**

The following table sets forth our average trade receivables turnover days for the periods indicated:

	For the year ended December 31,			For the seven months ended July 31,
	2023	2024	2025	2026
	(days)			
Average trade receivables turnover days[(1)]	45	49	51	53

Note:

(1) Trade receivables turnover days for each year/period equals the average of the beginning and ending balances of trade receivables for that year/period divided by revenue for that year/period and multiplied by 360 days in 2023, 2024 and 2025, or by 210 days in the seven months ended July 31, 2026.

Average trade receivables turnover days increased from 45 days in 2023 to 49 days in 2024 and further increased to 51 days in 2025 and 53 days in the seven months ended July 31, 2026. The increase was primarily driven by our business scale expansion and sales growth, particularly the growth in overseas sales, for which the collection cycle is generally longer.

We seek to maintain strict control over our outstanding receivables and have established credit control policies to minimize credit risk. Overdue balances are reviewed regularly by senior management. In view of the fact that our trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. We do not hold any collateral or other credit enhancements over our trade receivable balances. Trade receivables are non-interest-bearing.

As of August 31, 2026, RMB78.5 million, or 42.8%, of our trade receivables as of July 31, 2026 had been subsequently collected.

Financial Assets at Fair Value Through Profit or Loss

Our current financial assets at fair value through profit or loss ("**FVTPL**") consisted of bank wealth management products, structured deposits, financial investment products and derivative financial instruments. As of December 31, 2023, 2024 and 2025 and July 31, 2026, we had current financial assets at FVTPL of RMB2.4 million, RMB11 thousand, RMB398.8 million and RMB571.4 million, respectively. Our current financial assets at FVTPL decreased from RMB2.4 million as of December 31, 2023 to RMB11 thousand as of December 31, 2024, mainly because of the maturity of foreign exchange options. Our current financial assets at FVTPL increased from RMB11 thousand as of December 31, 2024 to RMB398.8 million as of December 31, 2025, mainly because of purchasing wealth management products. Our current financial assets at FVTPL increased from RMB398.8 million as of December 31, 2025 to RMB571.4 million as of July 31, 2026, primarily reflecting our increased investments in wealth management products for cash management purposes.

In addition, we recorded non-current financial assets at FVTPL of RMB679 thousand as of July 31, 2026 in relation to our unlisted equity instruments in a partnership.

These wealth management products primarily include bank wealth management products, structured deposits, assembled funds trust plans, assembled assets management plans and unlisted fund investments. These wealth management products we invested in during the Track Record Period mainly consisted of asset portfolios, including, but not limited to, cash assets, money market instruments, money market funds, standardized fixed income assets and debt assets. They were purchased from licensed banks and financial institutions with expected rates by reference to the performance of the underlying instruments in the currency market, the interbank market, the bond market, the security and equity market. The principals and yields on substantially all of these wealth management products are not guaranteed, and hence their contractual cash flows do not qualify for solely payments of principal and interest.

These wealth management products have relatively low risk levels with R1 and R2 risk ratings. We made investments in these wealth management products as part of our cash management strategy in order to obtain higher yields than we would typically receive from regular bank deposits.

During the Track Record Period, we used surplus cash to purchase wealth management products that in our view allow us more flexibility in the management of our cash flows and liquidity while providing higher investment returns than commercial bank savings deposit yields. We have not borrowed any bank loans or made other borrowings for the purposes of our investments in financial products during the Track Record Period. We consider wealth management products as an important cash management tool that enables us to improve our working capital efficiency based on our prudent risk control parameters. Subject to the prevalent general economic and market conditions, we expect to

continue to invest our surplus cash in wealth management products. However, we will only invest in low-risk, short-term and non-speculative financial products and will not borrow any bank loans or make other borrowings for our investments in such financial products.

Our Investment Policy and Risk Management Measures

We aim to maintain a reasonable level of cash and cash equivalents to support our day-to-day operations and capital expenditures. We deploy surplus short-term funds in low-risk and/or highly-rated wealth management products issued by reputable financial institutions to optimize capital utilization efficiency. We do not engage in speculative trading activities. To regulate these investment activities, control risks, and safeguard our assets, we have established the Wealth Management Product Management Measures (《理財產品管理制度》), under which all investments are subject to a rigorous evaluation and approval process. Our internal control measures regarding investment activities include the following:

We have implemented a hierarchical approval process based on the materiality and significance of the investment. The shareholders' general meeting is the highest decision-making body for material investments. Approval from the shareholders is strictly required for investments where the transaction amount, total asset values, or relevant financial ratios exceed 50% of our corresponding audited financial metrics, or as otherwise required by the relevant rules and our Articles of Association. The Board is responsible for approving investments that meet specific materiality thresholds. The Board is also responsible for formulating our overall investment strategies. For investment matters falling below the decision-making thresholds of the Board, the Chairman is authorized to approve such transactions, provided they are within the specific scope and limits authorized by the Board.

We maintain heightened scrutiny over securities investments, entrusted wealth management and derivatives. Pursuant to the Policy, strictly defined decision-making procedures apply to these activities. The authority to approve securities investments, entrusted wealth management, or derivative transactions is vested exclusively in the Board or the shareholders' general meeting. The Board and shareholders do not delegate this specific approval authority to individual directors or senior management. For securities investments, entrusted wealth management, or derivative investments, the source of funds is strictly limited to our self-owned funds unless otherwise exempted by applicable regulations and listing rules. Prior to the execution of any such investment, the responsible department must conduct a feasibility analysis, evaluating the potential returns and risks to ensure the investment aligns with our financial condition.

Personnel responsible for accounting are functionally segregated from those responsible for fund management. This ensures mutual supervision over assets. We enforce a strict custody system requiring joint control. The policy mandates that no single individual is permitted to access investment assets independently; any deposit, disposal or withdrawal of investment assets requires the joint authorization of at least two authorized staff members. The finance department is responsible for opening and managing specific investment accounts. Funds utilized for investment must be earmarked and managed in accordance with strict financial procedures.

The finance department is responsible for raising funds, handling financial procedures and executing payments upon approval. During the investment holding period, the finance department is responsible for periodically monitoring the usage and balance of investment and wealth management products. If material changes occur in the investment project, such as significant losses, material litigation or arbitration, the responsible department must immediately report to the Board to facilitate timely decision-making. We conduct comprehensive inventories of our long-term and short-term investments at the end of each financial year. Our audit department and finance department are jointly responsible for supervising investment projects and rectifying any irregularities.

After the **[REDACTED]**, our investments in wealth management products will be subject to the compliance with Chapter 14 of the Listing Rules. We will strictly comply with our risk management policies and internal control measures, Articles of Association and the requirements under Chapter 14 of the Listing Rules when making investments in wealth management products after the **[REDACTED]**.

Trade and Notes Payables

Our trade and notes payables primarily represent amounts payable to suppliers in the ordinary course of business. The credit period granted by suppliers generally ranges from 0 to 360 days. The following table sets forth details of our trade and notes payables as of the dates indicated:

	As of December 31,			As of July 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Trade payables	20,917	32,710	35,123	33,652
Notes payables	37,420	2,600	35,436	20,429
	58,337	**35,310**	**70,559**	**54,081**

Our trade and notes payables decreased by 39.5% from RMB58.3 million as of December 31, 2023 to RMB35.3 million as of December 31, 2024, primarily due to maturity and settlement of notes payables, partially offset by an increase in our trade payables in line with the increase in our cost of sales. Our trade and notes payables increased by 99.8% from RMB35.3 million as of December 31, 2024 to RMB70.6 million as of December 31, 2025, primarily due to an increase in issued notes in line with our business growth. Our trade and notes payables decreased by 23.4% from RMB70.6 million as of December 31, 2025 to RMB54.1 million as of July 31, 2026, primarily reflecting our procurement arrangements during the period, which were made having regard to our existing inventory levels and production requirements, together with the timely settlement of the relevant purchases.

The following table sets out the aging analysis of our trade payables as of the dates indicated:

	As of December 31,			As of July 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Within one year	18,940	29,983	33,572	29,910
Over one year but within two years	1,954	2,095	1,534	3,723
Over two years but within three years	—	617	2	2
Over three years	23	15	15	17
	20,917	**32,710**	**35,123**	**33,652**

The following table sets forth our trade payables turnover days for the periods indicated:

	For the year ended December 31,			For the seven months ended July 31,
	2023	2024	2025	2026
		(days)		
Average trade payables turnover days[(1)]	86	98	88	71

Note:

(1) Trade payables turnover days for each year/period equals the average of the beginning and ending balances of trade payables for that year/period divided by cost of sales for that year/period and multiplied by 360 days in 2023, 2024 and 2025, or by 210 days in the seven months ended July 31, 2026.

Our average trade payables turnover days increased from 86 days in 2023 to 98 days in 2024, primarily due to changes in procurement and payment arrangements, including extended credit terms granted by certain suppliers as our procurement scale expanded. Our average trade payables turnover days subsequently decreased to 88 days in 2025, primarily due to the commencement of operations at our Suzhou Factory (Phase I), which enabled in-house production of GMP-grade products and resulted in a reduction of outsourced service fees previously paid to third-party contractors. Our average trade payables turnover days decreased from 88 days in 2025 to 71 days in the seven months ended July 31, 2026, primarily due to the shorter settlement cycle with our suppliers during the period.

As of August 31, 2026, RMB11.0 million, or 32.7%, of our trade payables outstanding as of July 31, 2026 had been settled.

Contract Liabilities

Contract liabilities represent advance payments we have received from customers for products not yet delivered or services not yet provided. Our contract liabilities increased from RMB3.6 million as of December 31, 2023 to RMB4.2 million as of December 31, 2024, and further increased to RMB4.7 million as of December 31, 2025 and RMB8.3 million as of July 31, 2026, primarily in line with the growth in our business and sales.

As of August 31, 2026, RMB1.1 million, or 13.1%, of our contract liabilities outstanding as of July 31, 2026 had been settled.

Other Payables and Accruals

Our other payables and accruals primarily comprise (i) construction payables; (ii) payroll and welfare payables; (iii) deposits received; (iv) accrued expenses; (v) other tax payables; (vi) payables for **[REDACTED]**. The following tables set forth the breakdown of our other payables and accruals as of the dates indicated:

	As of December 31,			As of July 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Construction payables	45,809	54,409	7,850	33,195
Payroll and welfare payables	35,188	49,880	60,517	50,805
Deposits received	600	5,750	5,654	6,875
Accrued expenses	885	3,197	3,420	3,466
Other tax payables	3,453	3,506	4,298	2,313
[REDACTED]	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Others[(1)]	403	2,534	93	70
	86,338	**119,276**	**88,137**	**99,760**

Note:

(1) Others primarily include assessment fees and reimbursable expenses.

Our other payables and accruals increased by 38.2% from RMB86.3 million as of December 31, 2023 to RMB119.3 million as of December 31, 2024, primarily attributable to (i) an increase in payroll and welfare payables, which mainly represented accrued employee salaries and bonuses, driven by growth in headcount and higher personnel-related costs in line with the expansion of our business operations; and (ii) an increase in construction payables due to payments relating to the Suzhou Factory (Phase I) construction project.

Our other payables and accruals decreased by 26.1% from RMB119.3 million as of December 31, 2024 to RMB88.1 million as of December 31, 2025, primarily as a result of a decrease in construction payables due to payments made for the Suzhou Factory (Phase I) construction project and construction payments relating to the Beijing factory project.

Our other payables and accruals remained relatively stable at RMB88.1 million as of December 31, 2025 and RMB99.8 million as of July 31, 2026.

As of August 31, 2026, RMB5.8 million, or 5.8%, of our other payables and accruals outstanding as of July 31, 2026 had been settled.

INDEBTEDNESS

Our indebtedness consists of borrowings and lease liabilities. The following table sets forth the breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of July 31,	As of August 31,
	2023	2024	2025	2026	2026
	(RMB in thousands)				*(unaudited)*
Borrowings	6,009	88,233	55,304	78,323	78,474
Lease liabilities	58,603	52,472	31,099	26,962	23,348
Total	**64,612**	**140,705**	**86,403**	**105,285**	**101,822**

Borrowings

Our borrowings are denominated in RMB. As of December 31, 2023, 2024 and 2025 and July 31, 2026, our borrowings bore effective interest rates of 2.95%, 2.45–2.80%, 1.95%–2.34% and 1.95%–2.34%, respectively, all of which were unsecured and unguaranteed bank borrowings. The fluctuation of our borrowings as of December 31, 2023, 2024 and 2025 and July 31, 2026 was primarily due to borrowings raised from time to time to meet our operational funding needs and the repayment of such borrowings in the ordinary course of business. Our borrowings remained relatively stable at RMB78.3 million as of July 31, 2026 and RMB78.5 million as of August 31, 2026.

As of August 31, 2026, we had bank facilities of RMB625.6 million, of which RMB548.7 million was committed but unutilized.

Lease Liabilities

Our lease liabilities mainly represented outstanding payments for our leased assets, which generally had lease terms between 12 months and 60 months. As of December 31, 2023, 2024 and 2025 and July 31, 2026, we recorded lease liabilities of RMB58.6 million, RMB52.5 million, RMB31.1 million and RMB27.0 million, respectively. The decrease in lease liabilities was mainly due to our continuous rental payments.

Statement of Indebtedness

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we did not experience any difficulty in obtaining bank loans or other borrowings, nor any default in repayment or breach of covenant.

Save as disclosed above and apart from intra-group liabilities and normal trade payables, as of August 31, 2026, we did not have any other material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance leases or hire purchase

commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other material contingent liabilities. Our Directors confirm that there had not been any material change in our indebtedness since August 31, 2026 and up to the Latest Practicable Date.

CONTINGENT LIABILITIES

As of the Latest Practicable Date, we did not have any unrecorded material contingent liabilities.

CURRENT ASSETS AND CURRENT LIABILITIES

The following table sets forth our current assets and liabilities as of the dates indicated:

	As of December 31,			As of July 31,	As of August 31,
	2023	2024	2025	2026	2026
	(RMB in thousands)				*(unaudited)*
Current Assets:					
Inventories	136,718	197,132	263,741	256,663	272,890
Trade and notes receivables	74,292	100,911	135,574	174,748	194,040
Prepayments, other receivables and other assets	29,088	49,575	38,686	54,091	51,106
Prepaid income tax	370	6	6,596	5,115	5,540
Financial assets at fair value through profit or loss	2,386	11	398,786	571,420	611,525
Financial assets at fair value through other comprehensive income	—	22	—	—	—
Other financial assets	1,363,891	1,012,194	107,011	30,657	30,780
Restricted bank deposits	42,754	96,234	274	3,056	6,546
Time deposits	230,194	284,376	527,905	216,662	130,813
Cash and cash equivalents	316,499	463,230	311,639	324,264	370,867
	2,196,192	**2,203,691**	**1,790,212**	**1,636,676**	**1,674,107**
Current Liabilities:					
Trade and notes payables	58,337	35,310	70,559	54,081	55,338
Contract liabilities	3,637	4,189	4,703	8,295	8,429
Other payables and accruals	86,338	119,276	88,137	99,760	113,083
Borrowings	6,009	88,233	26	159	310
Lease liabilities	20,101	27,581	18,597	21,716	19,305
Income tax payable	10,669	4,271	11,839	17,012	18,744
	185,091	**278,860**	**193,861**	**201,023**	**215,209**
Net current assets	**2,011,101**	**1,924,831**	**1,596,351**	**1,435,653**	**1,458,898**

Our net current assets decreased by 4.3% from RMB2,011.1 million as of December 31, 2023 to RMB1,924.8 million as of December 31, 2024, primarily because the increase in our total current liabilities outpaced the increase in our total current assets. The increase in our total current assets was primarily attributable to (i) an increase in cash and cash equivalents, primarily due to positive cash flows from operating and investing activities; (ii) an increase in time deposits; (iii) an increase in restricted bank deposits; and (iv) an increase in inventories in line with our increase in revenue, largely offset by a decrease in other financial assets primarily relating to the maturity of transferable large-denomination certificates of deposits. The increase in our total current liabilities was primarily

attributable to an increase in borrowings, which was mainly due to (i) short-term borrowings obtained to meet funding requirements; and (ii) an increase in other payables and accruals due to the increase in accrued employee benefits, partially offset by a decrease in trade and notes payables due to the acceptance of maturing notes.

Our net current assets decreased by 17.1% from RMB1,924.8 million as of December 31, 2024 to RMB1,596.4 million as of December 31, 2025, primarily because the decrease in our total current assets outpaced the decrease in our total current liabilities. The decrease in our total current assets was primarily attributable to a decrease in other financial assets primarily relating to the maturity of transferable large-denomination certificates of deposits, partially offset by an increase in financial assets at fair value through profit or loss mainly because of purchasing wealth management products. The decrease in our total current liabilities was primarily attributable to a decrease in borrowings mainly due to repayment of bank borrowings, partially offset by an increase in trade and notes payables primarily relating to an increase in issued notes.

Our net current assets decreased by 10.1% from RMB1,596.4 million as of December 31, 2025 to RMB1,435.7 million as of July 31, 2026, primarily due to the decrease in our total current assets. The decrease in our total current assets was primarily attributable to the decrease in time deposits, partially offset by the increase in financial assets at fair value through profit or loss, both reflecting our adjusted strategy to invest in wealth management products for cash management purposes.

Our net current assets remained relatively stable at RMB1,435.7 million as of July 31, 2026 to RMB1,458.9 million as of August 31, 2026.

LIQUIDITY AND CAPITAL RESOURCES

Historically, we financed our working capital needs primarily through cash flows from operating activities and bank borrowings. We monitor and maintain a level of cash and cash equivalents deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. As of December 31, 2023, 2024 and 2025 and July 31, 2026, we had cash and cash equivalents of RMB316.5 million, RMB463.2 million, RMB311.6 million and RMB324.3 million, respectively. Upon the completion of the **[REDACTED]**, we expect to meet our working capital needs primarily through cash flow from operating activities, bank borrowings and the net **[REDACTED]** to our Company from the **[REDACTED]**. Taking into account the financial resources available to us, including the cash flows from operating activities, existing borrowings and the estimated net **[REDACTED]** from the **[REDACTED]**, our Directors are of the view that, after due and careful inquiry, we have sufficient available working capital for our present requirements for at least the next 12 months from the date of this document.

Cash Flows

The table below sets forth our cash flows for the periods indicated:

	For the year ended December 31,			For the seven months ended July 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Net cash flows generated from operating activities	61,031	26,419	265,479	118,324
Net cash flows (used in)/generated from investing activities	(41,152)	171,134	(229,885)	(3,009)
Net cash flows used in financing activities	(155,929)	(58,476)	(179,421)	(96,146)

	For the year ended December 31,			For the seven months ended July 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Net (decrease)/increase in cash and cash equivalents	(136,050)	139,077	(143,827)	19,169
Cash and cash equivalents at beginning of year/period	438,701	316,499	463,230	311,639
Effect of foreign exchange rate changes, net	13,848	7,654	(7,764)	(6,544)
Cash and cash equivalents at end of year/period	**316,499**	**463,230**	**311,639**	**324,264**

Net Cash Flows From Operating Activities

Our net cash flows generated from operating activities in the seven months ended July 31, 2026 was RMB118.3 million, which primarily consisted of profit before income tax of RMB132.2 million, as adjusted for (i) net impairment losses recognized on inventories of RMB45.9 million, and (ii) depreciation of property, plant and equipment of RMB34.8 million. The amount was further adjusted by changes in working capital, primarily including (i) increase in trade and notes receivables of RMB41.8 million, and (ii) increase in inventories of RMB38.9 million.

Our net cash flows generated from operating activities in 2025 was RMB265.5 million, which primarily consisted of profit before income tax of RMB169.3 million, as adjusted for (i) net impairment losses recognized on inventories of RMB64.4 million, (ii) depreciation of property, plant and equipment of RMB62.5 million, and (iii) interest income of RMB50.1 million. The amount was further adjusted by changes in working capital, primarily including (i) increase in inventories of RMB131.0 million, (ii) decrease in restricted bank deposits of RMB96.0 million, and (iii) increase in trade and notes receivables of RMB36.8 million.

Our net cash flows generated from operating activities in 2024 was RMB26.4 million, which primarily consisted of profit before income tax of RMB124.9 million, as adjusted for (i) depreciation of right-of-use assets of RMB23.0 million, (ii) depreciation of property, plant and equipment of RMB46.5 million, and (iii) net impairment losses recognized on inventories of RMB39.8 million. The amount was further adjusted by changes in working capital, primarily including (i) an increase in trade and notes payables of RMB15.2 million, offset by (ii) an increase in inventories of RMB100.2 million, and (iii) an increase in trade and notes receivables of RMB28.1 million.

Our net cash flow generated from operating activities in 2023 was RMB61.0 million, which primarily consisted of profit before income tax of RMB160.7 million, as adjusted for (i) depreciation of right-of-use assets of RMB21.0 million, and (ii) depreciation of property, plant and equipment of RMB35.5 million. The amount was further adjusted by changes in working capital, primarily including an increase in other payables and accruals of RMB38.4 million, which were offset by (i) an increase in inventories of RMB81.3 million, (ii) an increase in prepayments, other receivables and other assets of RMB0.6 million, and (iii) an increase in trade and notes receivables of RMB13.1 million.

Our net cash flow generated from operating activities decreased by 56.7% from RMB61.0 million in 2023 to RMB26.4 million in 2024, primarily due to the expansion of the headcount in sales and marketing, R&D and administrative functions in 2024, which resulted in higher employee benefit expenses. Our net cash flow generated from operating activities increased significantly from RMB26.4

million in 2024 to RMB265.5 million in 2025, primarily due to (i) the release of funds from restricted accounts following the cancellation of bank-supervised accounts and the maturity of acceptance guarantee deposits, and (ii) our steady revenue growth.

Net Cash Flows (Used in)/Generated from Investing Activities

Our net cash flow used in investing activities in the seven months ended July 31, 2026 was RMB3.0 million, which primarily consisted of (i) purchase of financial assets at fair value through profit or loss of RMB533.5 million, (ii) placement of other financial assets of RMB361.0 million, (iii) placement of time deposits of RMB148.6 million, and (iv) purchase of property, plant and equipment of RMB104.5 million, partially offset by (i) receipt from maturity of time deposits of RMB433.3 million, (ii) proceeds from sale of financial assets at fair value through profit or loss of RMB364.2 million, and (iii) receipt from maturity of other financial assets of RMB275.0 million.

Our net cash flows used in investing activities in 2025 was RMB229.9 million, which primarily consisted of (i) placement of time deposits of RMB1,036.5 million, (ii) purchase of financial assets at fair value through profit or loss of RMB994.5 million, and (iii) placement of other financial assets of RMB441.2 million, which were partially offset by (i) receipt from maturity of other financial assets of RMB918.0 million, (ii) receipt from maturity of time deposits of RMB734.7 million, and (iii) proceeds from sale of financial assets at fair value through profit or loss of RMB602.6 million.

Our net cash flow generated from investing activities in 2024 was RMB171.1 million, which primarily consisted of (i) receipt from maturity of other financial assets of RMB499.1 million, (ii) receipt from maturity of time deposits of RMB856.4 million, and (iii) proceeds from sale of financial assets at fair value through profit or loss of RMB89.4 million, which were partially offset by (i) placement of time deposits of RMB927.8 million, (ii) purchase of property, plant and equipment of RMB164.3 million in relation to the acquisition of the Suzhou Factory (Phase I) facility, related renovation and improvement works, and the purchase of production equipment, and (iii) purchase of financial assets at fair value through profit or loss of RMB89.3 million.

Our net cash flow used in investing activities in 2023 was RMB41.2 million, which primarily consisted of (i) placement of time deposits of RMB313.3 million, (ii) purchase of financial assets at fair value through profit or loss of RMB597.7 million in relation to structured deposits, and (iii) placement of other financial assets of RMB360.0 million, which were partially offset by (i) proceeds from sale of financial assets at fair value through profit or loss of RMB846.3 million and (ii) receipt from maturity of other financial assets of RMB337.0 million.

We recorded net cash flows used in investing activities of RMB41.2 million in 2023 and net cash flows generated from investing activities of RMB171.1 million in 2024, primarily due to increased cash inflows from the maturity and redemption of wealth management products, time deposits and large-denomination certificates of deposit held by the Group. We recorded net cash flows used in investing activities of RMB229.9 million in 2025, primarily due to increased cash outflows arising from the purchase of wealth management products, time deposits and large-denomination certificates of deposit.

Net Cash Flows Used in Financing Activities

Our net cash flows used in financing activities in the seven months ended July 31, 2026 was RMB96.1 million, which primarily consisted of (i) dividends paid of RMB100.3 million, (ii) payments of **[REDACTED]** of **[REDACTED]**, and (iii) principal elements and interest elements of lease payments of RMB12.6 million, partially offset by proceeds from borrowings of RMB24.0 million.

Our net cash flows used in financing activities in 2025 was RMB179.4 million, which primarily consisted of (i) repayment of borrowings of RMB87.5 million, and (ii) dividends paid of RMB83.8 million, partially offset by proceeds from borrowings of RMB55.3 million.

Our net cash flows used in financing activities in 2024 was RMB58.5 million, which primarily consisted of (i) dividends paid of RMB107.8 million, (ii) principal elements and interest elements of lease payments of RMB26.8 million, and (iii) payments on repurchase of shares of RMB12.0 million on the A-share public market, which were partially offset by proceeds from borrowings of RMB97.5 million.

Our net cash flows used in financing activities in 2023 was RMB155.9 million, which primarily consisted of (i) dividends paid of RMB120.0 million, (ii) principal elements and interest elements of lease payments of RMB31.9 million, and (iii) payments on repurchase of shares of RMB10.0 million on the A-share public market, which were partially offset by proceeds from borrowings of RMB6.0 million.

Our net cash flows used in financing activities decreased by 62.5% from RMB155.9 million in 2023 to RMB58.5 million in 2024, primarily due to an increase in proceeds from bank borrowings. Our net cash flows used in financing activities increased significantly from RMB58.5 million in 2024 to RMB179.4 million in 2025, primarily due to increased repayments of borrowings and acquisition of non-controlling interests.

CAPITAL EXPENDITURES

Our capital expenditures during the Track Record Period consisted of purchases of property, plant and equipment and intangible assets. Our capital expenditures amounted to RMB128.7 million, RMB167.3 million, RMB205.1 million and RMB104.6 million in 2023, 2024, 2025 and the seven months ended July 31, 2026, respectively. Our current capital expenditure plans for any future period are subject to change, and we may adjust our capital expenditures according to our future cash flows, results of operations and financial condition, our business plans, market conditions and various other factors.

CAPITAL COMMITMENTS

During the Track Record Period, our capital commitments mainly represented the purchase of property, plant and equipment and investments in associate. As of December 31, 2023, 2024 and 2025 and July 31, 2026, our capital commitments contracted but not provided were RMB100.7 million, RMB45.0 million, RMB218.3 million and RMB158.2 million, respectively.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

MATERIAL RELATED PARTY TRANSACTIONS

We have the certain transactions and balances with the related parties during the Track Record Period, details of which are set out in note 42 to the Accountants' Report set out in Appendix I to this document. During the Track Record Period, all of our related party transactions were trade in nature and negotiated at an arm's length basis. Our Directors believe that our transaction with related party during the Track Record Period was conducted in the ordinary course of business, and it did not distort our track record results or make our historical results not reflective of our future performance.

KEY FINANCIAL RATIOS

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

	As of/for the year ended December 31,			As of/for the seven months ended July 31,
	2023	2024	2025	2026
Current ratio[(1)]	11.9	7.9	9.2	8.1
Gearing ratio[(2)]	2.5%	5.4%	3.3%	3.9%
Quick ratio[(3)]	11.1	7.2	7.9	6.9
Return on equity[(4)]	6.0%	4.8%	6.3%	4.6%
Return on assets[(5)]	5.3%	4.2%	5.6%	4.0%

Notes:

(1) Current ratio equals our current assets divided by current liabilities as of the end of the period.

(2) Gearing ratio equals total debt as of the end of the period divided by total equity as of the end of the same period. Total debt includes all interest-bearing borrowings.

(3) Quick ratio equals our current assets less inventories divided by current liabilities as of the end of the period.

(4) Return on equity equals our net profit attributable to owners of our Company for the period divided by an average of our equity attributable to owners of our Company as of the beginning and end of the same period.

(5) Return on assets equals our net profit for the period divided by an average of our total assets as of the beginning and end of the same period.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our major financial instruments other than derivatives, mainly comprise cash and cash equivalents, time deposits, restricted bank deposits, trade receivables and other receivables, the main purpose of which is to support our operations.

We have various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from our operations. The main risks arising from our financial instruments are foreign currency risk, price risk, interest rate risk, credit risk and liquidity risk. Our Board reviews and agrees policies for managing each of these risks and they are summarized below. We regularly monitor our exposure to these risks to ensure appropriate measures are implemented on a timely and effective manner. See note 45 in the Accountants' Report in Appendix I to this document.

DIVIDENDS

In 2023, 2024, 2025 and the seven months ended July 31, 2026, dividends in respect of the previous year of RMB120.0 million (RMB15 per 10 shares, tax inclusive), RMB107.8 million (RMB9 per 10 shares, tax inclusive), RMB83.8 million (aggregate RMB7 per 10 shares, comprising interim dividend of RMB3 per 10 shares and final dividend of RMB4 per 10 shares, tax inclusive) and RMB100.3 million (RMB6 per 10 shares, tax inclusive), respectively, were approved by the annual general meetings of our Company.

Going forward, we may distribute dividends by way of cash or by other means that we consider appropriate. Our Group currently has a dividend policy. Subject to the conditions for cash dividend distribution being satisfied, the Company adopts a fixed-ratio cash dividend policy, under which the aggregate amount of profit distributed by the Company in cash within any three consecutive financial years shall be no less than 30% of the average annual distributable profit realized by the Company during such three-year period. Where there are any unrecouped losses from prior years, the amount of cash dividend for the current year shall be calculated based on the amount after such losses have been

recouped. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the Companies Act. Any proposed distribution of dividends shall be determined by our Board and must be approved by our shareholders at a general meeting. In addition, we may declare interim dividends as our Board considers to be justified by our profits and overall financial requirements. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our future declarations of dividends may or may not reflect our historical declarations of dividends and will be at the discretion of our Board and subject to the approval of Shareholders' meeting.

DISTRIBUTABLE RESERVES

As of July 31, 2026, we had distributable reserves of RMB414.6 million.

[REDACTED]

Our **[REDACTED]** mainly include professional fees, **[REDACTED]** commissions and other fees incurred in connection with the **[REDACTED]**. We estimate that our total **[REDACTED]** (including **[REDACTED]** commission) will be approximately HK$**[REDACTED]** million, which accounts for **[REDACTED]**% of the gross **[REDACTED]** from the **[REDACTED]** (assuming an **[REDACTED]** of HK$**[REDACTED]**, being the mid-point of the indicative **[REDACTED]** range between HK$**[REDACTED]** and HK$**[REDACTED]**, and assuming that the **[REDACTED]** is not exercised and no additional Shares are issued pursuant to our Restricted A-Share Incentive Plans). Such **[REDACTED]** expenses comprise **[REDACTED]** expenses of RMB**[REDACTED]** million and **[REDACTED]** expenses of RMB**[REDACTED]** million, respectively. The **[REDACTED]** expenses consist of (i) RMB**[REDACTED]** million of fees and expenses of legal advisors, reporting accountants and the Sole Sponsor, and (ii) RMB**[REDACTED]** million of other fees and expenses, which primarily represent fees and expenses for other professional services. During the Track Record Period, **[REDACTED]** of RMB**[REDACTED]** million were charged to our consolidated statements of comprehensive income as general and administrative expenses, and RMB**[REDACTED]** million were recognized as deferred **[REDACTED]** as of July 31, 2026, which are expected to be deducted from equity upon **[REDACTED]** as they are directly attributable to the **[REDACTED]** of the H Shares to the public. The estimated **[REDACTED]** of approximately RMB**[REDACTED]** million are expected to be charged to our consolidated statements of comprehensive income and approximately RMB**[REDACTED]** million are expected to be deducted from equity upon **[REDACTED]**. The **[REDACTED]** above were the best estimate as of the Latest Practicable Date and are for reference only. The actual amount may differ from this estimate.

NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since July 31, 2026, being the date on which our latest consolidated financial statements were prepared, and there is no event since July 31, 2026 which would materially affect the information as set out in the Accountants' Report in Appendix I to this document.

DISCLOSURE UNDER RULE 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

See "Unaudited **[REDACTED]** Financial Information" in Appendix II to this document.

FUTURE PLANS

See "Business — Our Strategies" for a detailed description of our future plans.

USE OF [REDACTED]

We estimate that the net **[REDACTED]** from the **[REDACTED]**, after deducting the estimated **[REDACTED]** commissions and other fees and expenses paid and payable by us in connection with the **[REDACTED]**, will be approximately HK$**[REDACTED]** million, assuming an **[REDACTED]** of HK$**[REDACTED]** per H Share (being the mid-point of the indicative range of the **[REDACTED]** of HK$**[REDACTED]** to HK$**[REDACTED]** per H Share), and that the **[REDACTED]** is not exercised and no additional Shares are issued pursuant to our Restricted A-Share Incentive Plans. We intend to use the net **[REDACTED]** from the **[REDACTED]** for the purposes and in the amounts set out below.

	Year ended December 31,						Approximate %
	2027	2028	2029	2030	2031	Total	of the total
			(HK$ thousand)				
Establishing automated high-throughput wet-lab facilities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
— Purchasing equipment and consumables for protein-level functional validation	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
— Purchasing equipment and consumables for cellular and organoid-level functional validation	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
— Talent recruitment expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Expanding life science tools product portfolio and further enhancing R&D capabilities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
— Establishing a new R&D center in Europe	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
— Expanding product portfolio	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Expanding international marketing and sales network	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
— Establishing and expanding localized marketing teams and service platforms in Europe	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
— International academic promotion and market development initiatives	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Enhancing global production and delivery capabilities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
— Expansion and establishment of production bases	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
— Enhance global logistics and warehousing capabilities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Pursuing strategic acquisition and investment opportunities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Working capital and other general corporate purposes	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

(i) Approximately [REDACTED]% of the net [REDACTED] from the [REDACTED], or HK$[REDACTED] million, for establishing automated high-throughput wet-lab facilities

Advances in AIDD technologies have enhanced the efficiency of candidate molecule design and generation, resulting in increasing downstream demand for rapid experimental validation of a large number of candidate molecules. Leveraging our established technical capabilities in recombinant proteins and bioassays, we are able to support the experimental validation of a broad range of AI-generated candidate molecules, thereby facilitating candidate screening and optimization for our customers. To further enhance our capabilities in this area, we plan to develop automated high-throughput wet-lab facilities, procure relevant equipment and consumables and expand our technical and engineering workforce. Specifically,

- approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, or HK$**[REDACTED]** million, is expected to be used for protein-level functional validation. We plan to further enhance our capabilities in protein expression, purification and characterization to support the high-throughput production, screening and characterization of AI-designed molecules at scale, evaluate their biological activity and stability, and identify promising molecules for further development. Specifically,

  - we expect to use approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, or HK$**[REDACTED]** million, for the procurement of four sets of equipment from 2027 to 2029, including high-throughput biomolecular interaction analyzers, high-capacity protein purification and characterization systems, automated liquid handling platforms and laboratory automation systems, as well as other related equipment. Such equipment will primarily be used to support large-scale parallel expression, purification, screening and characterization of AI-designed molecules, enabling us to process and evaluate a large number of molecules efficiently and systematically; and

  - we expect to use approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, or HK$**[REDACTED]** million, for the procurement of diverse consumables from 2027 to 2030, including biosensors, microplates and capillaries, assay reagents, chromatography consumables, buffer solutions and other laboratory consumables, which will primarily be used to support protein-level screening, characterization and other validation activities for AI-designed molecules.

- approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, or HK$**[REDACTED]** million, is expected to be used for cellular and organoid-level functional validation. Leveraging our cell-based resources and 3D organoid models, we plan to enhance our capabilities to conduct in-depth functional validation of selected AI-designed antibodies identified through earlier-stage screening, evaluate the biological activity, safety and development potential of AI-designed antibodies in cellular and tissue-like environments, including their mechanisms of action and key antibody functions. Specifically,

  - we expect to approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, or HK$**[REDACTED]** million, for the procurement of four sets of equipment from 2028 to 2030, including cell analysis and imaging systems, flow cytometers, cell culture equipment, automated liquid handling equipment and other laboratory automation systems. Such equipment will primarily support cell-based functional assays and 3D organoid studies of selected molecules, including the assessment of their cellular responses, mechanisms of action and key antibody functions in biologically relevant environments; and

  - we expect to use approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, or HK$**[REDACTED]** million, for the procurement of diverse consumables from 2028 to 2030, including cell culture media and supplements, cell-based assay reagents, microplates and other cell culture consumables, detection reagents, buffer solutions and other laboratory consumables, which will primarily be used for cell culture, 3D organoid establishment and maintenance, cell-based functional assays and related biological analyses.

- approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, or HK$**[REDACTED]** million, is expected to be used for team expansion and talent recruitment from 2027 to 2031. We plan to recruit around 80 R&D and laboratory personnel with bachelor's degrees or above and extensive experience in the life science tools industry, including management personnel, engineers and technical specialists.

(ii) Approximately [REDACTED]% of the net [REDACTED] from the [REDACTED], or HK$[REDACTED] million, for expanding our life science tools product portfolio and further enhancing our R&D capabilities

We plan to allocate this portion of the net **[REDACTED]** to support the continuous expansion of our life science tools product portfolio and the enhancement of our internal R&D capabilities, with a focus on strengthening our technological competitiveness and accelerating the commercialization of new products. Specifically,

- approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, or HK$**[REDACTED]** million, is expected to be used as the total expenditures for establishing a new R&D center in Europe. The primary location under consideration is Switzerland, given its strong presence of major biopharmaceutical clusters. Alternative locations under consideration include the United Kingdom, Germany and France. From 2027 to 2028, we plan to complete site selection, design and construction of the R&D center. From 2029 to 2031, we plan to procure the necessary R&D and office equipment. The R&D center is expected to gradually commence operations by 2030. The following table sets forth the details of the planned expenditure:

	For the year ended December 31,					
	2027	2028	2029	2030	2031	Total
			(HK$ thousand)			
Site selection and design	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Construction	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
R&D equipment procurement[(1)]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Site rental expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Office equipment	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
						[REDACTED]

Note:

(1) R&D equipment consisted of multiple types of equipment, primarily including the centrifuge, nucleic acid and protein detector, ultrasonic cleaner, water purification system and recirculating water chiller.

Europe is one of the most mature regions in the global biopharmaceutical industry, bringing together a number of leading pharmaceutical and biotechnology companies. Establishing an R&D center in Europe allows us to closely meet local demand for biological reagents through localized R&D and services, providing efficient on-site technical support. Leveraging Europe's deep foundation in life sciences research and its pool of skilled talent, we can build an international R&D team and enhance our capabilities in advanced areas including protein expression, formulation platforms and membrane protein development. In addition, closer coordination between local R&D and production will help improve responsiveness to the European market and strengthen the resilience of our global supply chain.

The establishment of the European R&D center will require commercial, biosafety and environmental regulatory approvals, including company registration, laboratory operation permits and waste disposal permits. Our Directors are of the view that, based on our

experience in conducting global operations, provided we submit the required documents and comply with the applicable procedures, there are no legal impediments to obtaining the relevant licenses and/or approvals.

- approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, or HK$**[REDACTED]** million, is expected to be used for further expanding our product portfolio based on our new R&D center, including increasing the breadth and depth of product types such as recombinant proteins, antibodies and functional cell lines. The **[REDACTED]** will be used primarily for product development and to facilitate our customers' validation activities, including target discovery and selection, product design and optimization, performance verification and application scenario testing as conducted by our customers. We plan to use approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, or HK$**[REDACTED]** million, to recruit approximately 40 R&D and technical specialists in 2030 and 2031, with bachelor's degree or above and extensive experience or expertise in molecular biology, bioengineering, immunology, and protein expression and purification. We plan to use approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, or HK$**[REDACTED]** million, for the purchase of the R&D raw materials, such as functional cell lines and cell culture media, in 2030 and 2031 to support our R&D efforts for expanding our product portfolio. We target to develop over 100 novel recombinant protein targets and launch more than 50 cell and gene therapies ("**CGT**") raw material products, so as to consolidate our strategic layout in the CGT sector.

We are of the view that we have the capability to capture market demand and compete effectively with existing and potential competitors. We have long focused on the field of biological reagents, and continue to deepen our presence in providing products and solutions required for innovative R&D as well as production. Leveraging years of technological development and sustained investment in the downstream industry, we have established a solid market position in the global biological reagents market. We strategically concentrate on high-growth, high-barrier segments such as antibody-drug conjugates ("**ADC**") and CGT, which enable us to avoid low-end, homogeneous competition, align with the ongoing industry development and continuously capture growth opportunities.

We have established a global customer base and, through deep integration into our customers' R&D processes, have developed forward-looking insights into evolving market demand. As of July 31, 2026, our global footprint spanned approximately 80 countries and regions, serving a cumulative total of over 12,000 end customers, including multiple multinational pharmaceutical companies with significant global influence. Through long-term collaborations, our products are widely applied across key stages of our customers' R&D activities, including target identification, process development, quality control and large-scale production. This enables us to promptly identify emerging technological directions and potential demand shifts in frontier therapeutic areas. Our customer-centric strategy not only generates stable and recurring revenue streams, but also significantly enhances our ability to anticipate industry trends and respond efficiently to market changes.

Continuous product development and technological innovation constitute the core driving forces underlying our competitive advantages. We have established a comprehensive product portfolio covering the entire value chain from innovative drug research to commercialization. As of the Latest Practicable Date, our product portfolio comprised over 5,000 SKUs and we had developed reagent solutions in frontier therapeutic areas such as CAR-T and ADC. We continue to increase our R&D investment and place strong emphasis on strengthening our foundational technology platforms. A portion of the **[REDACTED]** from the **[REDACTED]** will be used to establish a European R&D center, with a focus on enhancing our capabilities in membrane proteins, enzymes and clinical sample analysis, thereby further strengthening our technological moat and long-term competitiveness.

(iii) Approximately [REDACTED]% of the net [REDACTED] from the [REDACTED], or HK$[REDACTED] million, for the expansion of our international marketing and sales network

To support our globalization strategy and further increase penetration in overseas markets, we plan to allocate this portion of the net **[REDACTED]** to expand and strengthen our international marketing and sales network and customer service capabilities. Specifically,

- approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, or HK$**[REDACTED]** million, is expected to be used as the total expenditures for establishing and expanding localized marketing teams and service platforms in Europe, including building and strengthening overseas sales, technical support and customer service capabilities. The primary location under consideration is Switzerland, given its strong presence of major biopharmaceutical clusters. Alternative locations under consideration include the United Kingdom, Germany and France. Specifically,

  We plan to allocate approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, or HK$**[REDACTED]** million, to establish a Europe-based service platform. We believe that a Europe-based service platform will enable rapid responses to customers' needs, strengthening our competitive positioning against global peers. Building on this foundation, we plan to further deepen our engagement with European pharmaceutical and biotechnology companies and research institutions to enhance market penetration and expand our market share. The following table sets forth the details of the planned expenditure:

	For the year ended December 31,					
	2027	2028	2029	2030	2031	Total
			(HK$ thousand)			
Site selection and design	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Construction	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Rental expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Advertising and promotional expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Office and business entertainment expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Staff training expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
						[REDACTED]

  We plan to allocate approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, or HK$**[REDACTED]** million, to recruit a local team of around 50 sales personnel from 2029 to 2031 with bachelor's degrees or above and extensive experience in the life science tools industry. We plan to reduce reliance on distributors by strengthening localized marketing and technical support, thereby increasing the proportion of direct sales and enhancing customer loyalty.

  The establishment of a localized European service platform is considered feasible. Europe maintains relatively open import policies for biological reagents, resulting in manageable market entry requirements. In addition, we have an established customer base in Europe with existing collaborations with leading pharmaceutical and biotechnology companies, providing

a solid foundation for further market penetration and an increased proportion of direct sales. Moreover, the localized service model enables faster technical support response times, which enhances our competitive position and supports market share expansion.

- approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, or HK$**[REDACTED]** million, is expected to be used as the total expenditures for international academic promotion and market development initiatives in the following five years, including cooperating with internationally recognized research institutions and universities to organize seminars and forums focusing on frontier biotechnology topics, with a view to enhancing our brand recognition and influence in the industry.

(iv) Approximately [REDACTED]% of the net [REDACTED] from the [REDACTED], or HK$[REDACTED] million, for enhancing our global production and delivery capabilities

To support the growth of our global business and improve our production line resilience and delivery efficiency, we plan to allocate this portion of the net **[REDACTED]** to strengthen our global production, logistics and warehousing capabilities. Specifically,

- approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, or HK$**[REDACTED]** million, will be used for the expansion and establishment of our domestic production bases in China and overseas production bases mainly located in the Asia-Pacific region and Europe. In the Asia-Pacific region, we may prioritize South Korea due to its concentrated contract development and manufacturing organizations ("**CDMO**") ecosystem in the CGT sector, a well-developed biotechnology industry and strong government support for innovative drug development. Establishing production facilities in South Korea will enable closer collaboration across the CGT value chain, accelerate the industrialization of key CGT materials and leverage its strategic location to efficiently serve Japan and other Asia-Pacific markets. In Europe, Switzerland is our preferred location, with Germany and France as alternative options, supported by the stable regulatory environment, robust intellectual property protection and a GMP framework mutually recognized with the European Union. These advantages will enhance localized GMP-grade manufacturing capabilities, mitigate geopolitical risks and strengthen the security and resilience of our global supply chain.

  We plan to use approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, or HK$**[REDACTED]** million, as the total expenses for the expansion of our domestic production bases in Beijing and Suzhou ("**Suzhou Factory (Phase III)**"). As of the Latest Practicable Date, our project in Beijing was under construction and our Suzhou Factory (Phase III) was at the planning stage. Our expanded domestic production bases in Beijing and Suzhou are expected to commence the operation by the end of 2029. Our expanded domestic production bases are primarily expected to be used for the production of biological reagents, such as recombinant proteins and antibodies, with the annual production capacity of recombinant proteins and antibodies of more than 28,000 L for the expanded production base in Beijing and around 25 lots for the expanded production base in Suzhou. In terms of our expanded domestic production bases in Beijing, approximately HK$**[REDACTED]** million is expected to be used for the purchase of around 19 sets of production equipment (including a biomolecular interaction analyzer, an ethylene glycol chilled water system, a flow cytometry cell sorter, a pure steam humidification system, a hot water system and a fully automated liquid chromatography system) from 2027 to 2029, approximately HK$**[REDACTED]** million is expected to be used as the salaries and training expenses for 80 production staff members to be recruited by us between 2027 and 2031, and the remaining HK$**[REDACTED]** million is expected to be used for other miscellaneous expenses from 2027 to 2031, such as utilities and decoration expenses. In terms of our Suzhou Factory (Phase III), approximately HK$**[REDACTED]** million is expected to be used for the purchase of around 13 sets of production equipment (including an ethylene

glycol chilled water system, a flow cytometry cell sorter, a pure steam humidification system and a hot water system) from 2027 to 2029, approximately HK$**[REDACTED]** million is expected to be used as the salaries and training expenses for a total of 50 production staff members to be recruited by us between 2027 and 2031, and the remaining HK$**[REDACTED]** million is expected to be used for other miscellaneous expenses from 2027 to 2031, such as utilities and decoration expenses. We have obtained Class I Medical Device Manufacturing Filing Certificate (第一類醫療器械生產備案憑證) for our production bases in Beijing. We may apply for this certificate for Suzhou Factory (Phase III) as appropriate, depending on the regulatory requirements of the products we plan to manufacture in the future.

We plan to use approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, or HK$**[REDACTED]** million, as the total expenses for the establishment of our Asia-Pacific production base in South Korea, and the project was at the planning stage as of the Latest Practicable Date. Our production base in South Korea is expected to commence the operation in 2029, which will be used for the production of GMP-grade cytokines for CGT applications and other customized products. Of these net **[REDACTED]**, approximately HK$**[REDACTED]** million is expected to be used for the purchase of around 20 sets of production equipment (including a biomolecular interaction analyzer, an ethylene glycol chilled water system, a flow cytometry cell sorter, a pure steam humidification system, a hot water system and a fully automated liquid chromatography system) from 2027 to 2029, approximately HK$**[REDACTED]** million is expected to be used for site leasing expenses during the period from 2027 to 2031, approximately HK$**[REDACTED]** million is expected to be used as the salaries and training expenses for 40 technical and production staff members to be recruited by us between 2027 and 2031, and the remaining HK$**[REDACTED]** million is expected to be used for other miscellaneous expenses from 2027 to 2031, such as utilities and decoration expenses. We are required to obtain a Medical Device Manufacturing License and Importer Registration in South Korea.

We plan to use approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, or HK$**[REDACTED]** million, as the total expenses for the establishment of our European production base in Switzerland (Germany and France as alternative options), and the project was at the site selection and due diligence stage as of the Latest Practicable Date. Our European production base is expected to commence the operation in 2029, which will be used for the production of GMP-grade recombinant proteins, antibodies, cell culture media and customized products with the annual production capacity of recombinant proteins and antibodies of around 20 lots. Of these net **[REDACTED]**, approximately HK$**[REDACTED]** million is expected to be used for the purchase of around 14 sets of production equipment (including an automated control system and a biomolecular interaction analyzer) from 2027 to 2029, approximately HK$**[REDACTED]** million is expected to be used for site leasing expenses during the period from 2027 to 2031, approximately HK$**[REDACTED]** million is expected to be used as the salaries and training expenses for 20 production staff members to be recruited by us between 2027 and 2031, and the remaining HK$**[REDACTED]** million is expected to be used for other miscellaneous expenses from 2027 to 2031, such as utilities and decoration expenses. We are required to obtain a Medical Device Manufacturing License and a GMP conformity certificate in Switzerland. If Germany is selected as the location, we will be required to complete a medical device manufacturing filing; if France is selected, a filing with the French National Agency for the Safety of Medicines and Health Products will be required.

We are of the view that, based on our experience in conducting global operations, there is no substantive legal impediment to obtaining the relevant licenses and/or approvals in connection with the construction of our production bases, provided that we comply with the relevant local application procedures.

- approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, or HK$**[REDACTED]** million, will be used to enhance our global logistics and warehousing capabilities, including the establishment and/or upgrade of overseas warehouses and optimization of logistics and distribution arrangements. The planned upgrades are expected to include: (a) the expansion of the Switzerland warehouse with ultra-low-temperature cold-chain and automated sorting capabilities to serve Europe more effectively; (b) the upgrade of warehousing facilities in South Korea to establish a regional distribution hub integrated with the planned local production base, covering Northeast and Southeast Asia; and (c) the strengthening of temperature-controlled warehousing capacity on the east coast of the United States to better support North American biopharmaceutical clusters. The core commercial rationale is to improve delivery efficiency through forward-deployed inventory and regional hubs, reduce logistics costs via centralized shipping and scale effects, ensure product quality and stability for cold-chain-sensitive biological reagents and create synergies with overseas production bases, thereby enhancing overall supply chain efficiency, customer satisfaction and global operational resilience.

  We plan to use approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, or HK$**[REDACTED]** million, as the total expenses to upgrade our European warehouse in Switzerland, and the project was at the planning stage as of the Latest Practicable Date. Our warehouse in Switzerland is expected to complete the overall upgrade in 2030. Of these net **[REDACTED]**, approximately HK$**[REDACTED]** million is expected to be used to purchase a cold chain and temperature-controlled equipment system and an information and traceability system in 2029 and 2031, respectively, approximately HK$**[REDACTED]** million is expected to be used as the salaries and training expenses for five warehouse staff members to be recruited by us between 2028 and 2031, and the remaining approximately HK$**[REDACTED]** million is expected to be used for warehouse lease payments during the period from 2028 to 2031. Our warehouse in Switzerland shall comply with Swiss Good Distribution Practice and the temperature control requirements under the European Union medical device distribution regulations.

  We plan to use approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, or HK$**[REDACTED]** million, as the total expenses to upgrade our Asia-Pacific warehouse in South Korea, and the project was at the planning stage as of the Latest Practicable Date. Our warehouse in South Korea is expected to complete the overall upgrade in 2031. Of these net **[REDACTED]**, approximately HK$**[REDACTED]** million is expected to be used to purchase a cold chain and temperature-controlled equipment system and an information and traceability system in 2030 and 2031, respectively, approximately HK$**[REDACTED]** million is expected to be used as the salaries and training expenses for five warehouse staff members to be recruited by us from 2029 to 2031, and the remaining approximately HK$**[REDACTED]** million is expected to be used for warehouse lease payments during the period from 2029 to 2031. We are required to obtain a Medical Device Manufacturing License and Importer Registration in South Korea.

  We plan to use approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, or HK$**[REDACTED]** million, as the total expenses to upgrade our North American warehouse in the United States, and the project was at the planning stage as of the Latest Practicable Date. Our warehouse in the United States is expected to complete the overall upgrade in 2028. Of these net **[REDACTED]**, approximately HK$**[REDACTED]** million is expected to be used to purchase a cold chain and temperature-controlled equipment system and an information and traceability system in 2027 and 2028, respectively, approximately HK$**[REDACTED]** million is expected to be used as the salaries and training expenses for five warehouse staff members to be recruited by us between 2027 and 2029, and the remaining approximately HK$**[REDACTED]** million is expected to be used for

warehouse lease payments during the period from 2027 to 2031. In addition, we shall be in compliant with the regulations of the U.S. Department of Transportation and the International Air Transport Association where hazardous materials are involved.

We are of the view that, based on our experience in conducting global operations, there is no substantive legal impediment to obtaining the relevant licenses and/or approvals in connection with the upgrades of our warehouses, provided that we comply with the relevant local application procedures.

(v) Approximately [REDACTED]%, or HK$[REDACTED] million, for pursuing strategic acquisition and investment opportunities

We intend to allocate this portion of the net **[REDACTED]** and our own fund to seek, evaluate and, where appropriate, pursue potential acquisition and investment opportunities in the global life science tools, biotechnology services and related sectors, with a view to expanding our technological capabilities, creating synergistic effect between the businesses of our Company and the acquisition and investment targets, thereby optimizing our business development, enriching our product offerings and accelerating overseas market expansion.

We plan to acquire businesses engaged in life science reagents, detection technologies, as well as automated equipment and consumables. These targets are complementary to our existing core business focused on recombinant proteins, which supports the R&D and manufacturing of biopharmaceuticals including antibodies, cell therapies and ADCs, and are expected to generate substantial synergies. By strengthening our capabilities in ADC-related reagents, high-sensitivity and single-molecule detection, automated cell processing solutions and novel conjugation CDMO services, we will promote product and technology integration, implement cross-selling to enhance customer value and loyalty, develop comprehensive solutions for biopharmaceutical R&D and bioprocessing, and optimize operational efficiency and cost structure through the integration of supply chains and quality systems, thereby strengthening our overall competitiveness, profitability and long-term sustainable growth.

Our potential acquisition targets are expected to meet the following criteria: (i) annual revenue of not less than HK$35 million to ensure adequate collaboration value; (ii) profitability or break-even status; (iii) a valuation of not less than HK$100 million. For exceptional targets, we may consider acquisitions jointly with private equity funds or through acquisition financing facilities. We intend to pursue controlling-interest acquisitions to enable full integration of the target's entire business. We intend to primarily target acquisition opportunities in Europe, while also considering opportunities in the Asia-Pacific region and North America. According to Frost & Sullivan, as of the Latest Practicable Date, there were more than 20 potential acquisition targets globally that could meet our criteria. As of the Latest Practicable Date, we had not identified any specific acquisition targets nor entered into any binding agreements in respect of any such acquisitions. Any acquisition will be subject to, among others, our internal approval procedures and the availability of suitable targets. The timeline of the potential acquisition cannot be accurately estimated, subject to the due diligence and negotiation.

As a result of our acquisition plans, our cash used in investing activities may increase. However, we believe the impact on our net cash flow will be offset by our business growth, which is expected to drive higher revenue and gross profit. These initiatives are expected to enhance our technical capabilities, expand our product offerings and attract new customers. In addition, our intangible assets are expected to increase, primarily driven by goodwill growth from our acquisitions. Consequently, we may incur higher depreciation and amortization expenses. See "Risk Factors — Risks Relating to Our Industry and Business — We are subject to risks related to strategic acquisitions."

(vi) Approximately [REDACTED]%, or HK$[REDACTED] million, for working capital and other general corporate purposes

We plan to use this portion of the net **[REDACTED]** for general working capital purposes and other general corporate needs, including funding our daily operations, administrative expenses and other corporate expenditures.

The above allocation of the **[REDACTED]** will be adjusted on a pro rata basis in the event that the **[REDACTED]** is fixed at the high end or low end of the indicative **[REDACTED]** range.

If the **[REDACTED]** is set at HK$**[REDACTED]** per H Share, which is the high end of our indicative **[REDACTED]** range, the net **[REDACTED]** from the **[REDACTED]** will increase by approximately HK$**[REDACTED]** million. If the **[REDACTED]** is set at HK$**[REDACTED]** per H Share, which is the low end of our indicative **[REDACTED]** range, the net **[REDACTED]** from the **[REDACTED]** will decrease by approximately HK$**[REDACTED]** million. In the event that the **[REDACTED]** is exercised in full, we will receive net **[REDACTED]** of HK$**[REDACTED]** million (after deducting the estimated **[REDACTED]** commissions and other fees and expenses paid and payable by us in connection with the **[REDACTED]** and assuming an **[REDACTED]** of HK$**[REDACTED]** per H Share, being the mid-point of our indicative **[REDACTED]** range).

The net **[REDACTED]** will be used in the same proportions as disclosed above irrespective of: (i) whether the **[REDACTED]** is determined at the highest or lowest point of the indicative **[REDACTED]** range and (ii) whether the **[REDACTED]** is exercised.

To the extent that the net **[REDACTED]** are not immediately applied to the above purposes, we will only deposit the net **[REDACTED]** into short-term interest-bearing accounts with licensed commercial banks and/or other authorized financial institutions in Hong Kong or the PRC (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

[REDACTED]

[REDACTED]

[REDACTED]

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The following is the text of a report set out on pages I-1 to I-[3], received from the Company's reporting accountants, Rongcheng (Hong Kong) CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. It is prepared and addressed to the directors of the Company and to the Sole Sponsor pursuant to the requirements of HKSIR 200 Accountants' Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.

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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF ACROBIOSYSTEMS CO., LTD AND CHINA MERCHANTS SECURITIES (HK) CO., LIMITED

Introduction

We report on the historical financial information of ACROBIOSYSTEMS CO., LTD (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-[4] to I-[97], which comprises the consolidated statements of financial position of the Group as at December 31, 2023, 2024 and 2025 and July 31, 2026, the statements of financial position of the Company as at December 31, 2023, 2024 and 2025 and July 31, 2026, and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the years ended December 31, 2023, 2024 and 2025 and the seven months ended July 31, 2026 (the "**Track Record Period**") and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on page I-[4] to I-[97] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated **[REDACTED]** (the "**Document**") in connection with the **[REDACTED]** of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Note 2

to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Group's consolidated financial position as at December 31, 2023, 2024 and 2025 and July 31, 2026, the Company's financial position as at December 31, 2023, 2024 and 2025 and July 31, 2026, and of the consolidated financial performance and consolidated cash flows of the Group for the Track Record Period in accordance with the basis of presentation and preparation set out in Note 2 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the seven months ended 31 July 2025 and other explanatory information (the "**Stub Period Comparative Financial Information**"). The directors of the Company are responsible for the presentation and preparation of the Stub Period Comparative Financial Information in accordance with the basis of presentation and preparation set out in Note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board ("**IAASB**"). A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of presentation and preparation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-[4] have been made.

Dividends

We refer to Note 13 to the Historical Financial Information which contains information about the dividends declared and paid by the Company in respect of the Track Record Period.

Rongcheng (Hong Kong) CPA Limited
Certified Public Accountants
[•]
Practising Certificate Number: [•]

Hong Kong
[Date]

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by the International Accounting Standards Board (the "**IASB**") and were audited by Rongcheng (Hong Kong) CPA Limited in accordance with International Standards on Auditing issued by the IAASB ("**Underlying Financial Statements**").

The Historical Financial Information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Year ended December 31,			Seven months ended July 31,	
	Notes	**2023**	**2024**	**2025**	**2025**	**2026**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Revenue	*5*	543,653	645,023	838,118	462,383	606,177
Cost of sales	*9*	(85,136)	(98,243)	(138,549)	(79,457)	(102,369)
Gross profit		458,517	546,780	699,569	382,926	503,808
Other income	*6*	71,851	70,534	59,150	29,597	20,756
Other gains and (losses), net	*7*	15,774	498	(7,362)	7,116	(13,208)
Research and development expenses	*9*	(124,915)	(165,350)	(184,173)	(105,123)	(111,433)
General and administrative expenses	*9*	(88,595)	(115,520)	(145,865)	(75,149)	(102,991)
Selling expenses	*9*	(167,623)	(207,095)	(248,877)	(146,093)	(164,033)
Net impairment losses recognized on financial assets	*8*	(1,711)	(2,171)	(4,096)	(1,359)	(2,675)
Finance costs	*11*	(2,695)	(3,543)	(2,689)	(1,946)	(1,009)
Share of results of associates, net	*18*	66	782	3,666	1,168	2,962
Profit before income tax		160,669	124,915	169,323	91,137	132,177
Income tax expense	*12*	(13,117)	(4,873)	(4,479)	(1,302)	(9,383)
Profit for the year/period		147,552	120,042	164,844	89,835	122,794
Profit/(loss) for the year/period attributable to:						
Owners of the Company		153,593	123,832	165,568	90,054	122,794
Non-controlling interests		(6,041)	(3,790)	(724)	(219)	—
		147,552	120,042	164,844	89,835	122,794

	Notes	Year ended December 31,			Seven months ended July 31,	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Other comprehensive income/(loss) for the year/period, net of tax						
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translation of financial statements of foreign operations, net of tax		7,939	8,697	3,149	4,945	(8,774)
Items that will not be reclassified subsequently to profit or loss:						
Changes in fair value of equity investments designated at fair value through other comprehensive income		—	—	(11,438)	(11,438)	(1,312)
Other comprehensive income/(loss) for the year/period, net of tax		7,939	8,697	(8,289)	(6,493)	(10,086)
Total comprehensive income for the year/period		155,491	128,739	156,555	83,342	112,708
Total comprehensive income/(loss) for the year/period attributable to:						
Owners of the Company		161,532	132,529	157,279	83,561	112,708
Non-controlling interests		(6,041)	(3,790)	(724)	(219)	—
		155,491	128,739	156,555	83,342	112,708
Earnings per share ("EPS") for profit attributable to owners of the Company	*14*					
Basic (in RMB per share)		0.91	0.74	0.99	0.54	0.73
Diluted (in RMB per share)		0.91	0.74	0.99	0.54	0.73

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at December 31,			As at July 31,
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
ASSETS AND LIABILITIES					
Non-current assets					
Property, plant and equipment	*15*	400,903	488,999	529,273	644,729
Right-of-use assets	*16*	88,347	81,890	57,347	50,733
Intangible assets	*17*	11,116	12,361	10,675	10,124
Investments in associates	*18*	12,104	12,999	16,435	18,974
Financial assets at fair value through profit or loss	*19*	—	—	—	679
Financial assets at fair value through other comprehensive income	*20*	16,771	16,897	5,201	3,597
Other financial assets	*21*	—	—	356,404	517,547
Time deposits	*26*	30,803	32,068	101,154	102,441
Prepayments, other receivables and other assets	*24*	4,157	64	58,574	28,060
Deferred tax assets	*28*	53,105	65,638	84,355	100,080
		617,306	710,916	1,219,418	1,476,964
Current assets					
Inventories	*22*	136,718	197,132	263,741	256,663
Trade and notes receivables	*23*	74,292	100,911	135,574	174,748
Prepayments, other receivables and other assets	*24*	29,088	49,575	38,686	54,091
Prepaid income tax		370	6	6,596	5,115
Financial assets at fair value through profit or loss	*19*	2,386	11	398,786	571,420
Financial assets at fair value through other comprehensive income	*20*	—	22	—	—
Other financial assets	*21*	1,363,891	1,012,194	107,011	30,657
Restricted bank deposits	*25*	42,754	96,234	274	3,056
Time deposits	*26*	230,194	284,376	527,905	216,662
Cash and cash equivalents	*27*	316,499	463,230	311,639	324,264
		2,196,192	2,203,691	1,790,212	1,636,676

	Notes	As at December 31, 2023	As at December 31, 2024	As at December 31, 2025	As at July 31, 2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current liabilities					
Trade and notes payables	*29*	58,337	35,310	70,559	54,081
Contract liabilities	*30*	3,637	4,189	4,703	8,295
Other payables and accruals	*31*	86,338	119,276	88,137	99,760
Borrowings	*32*	6,009	88,233	26	159
Lease liabilities	*16*	20,101	27,581	18,597	21,716
Income tax payable		10,669	4,271	11,839	17,012
		185,091	278,860	193,861	201,023
Net current assets		2,011,101	1,924,831	1,596,351	1,435,653
Total assets less current liabilities		2,628,407	2,635,747	2,815,769	2,912,617
Non-current liabilities					
Borrowings	*32*	—	—	55,278	78,164
Lease liabilities	*16*	38,502	24,891	12,502	5,246
Deferred income	*33*	1,631	—	90,260	139,091
Deferred tax liabilities	*28*	—	135	—	—
		40,133	25,026	158,040	222,501
Net assets		2,588,274	2,610,721	2,657,729	2,690,116
EQUITY					
Share capital	*34*	120,000	120,000	167,177	167,678
Treasury shares	*34*	(9,998)	(5,781)	—	—
Other reserves		2,161,126	2,167,235	2,088,466	2,107,814
Retained earnings		318,431	334,200	402,086	414,624
Equity attributable to owners of the Company		2,589,559	2,615,654	2,657,729	2,690,116
Non-controlling interests		(1,285)	(4,933)	—	—
Total equity		2,588,274	2,610,721	2,657,729	2,690,116

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at December 31,			As at July 31,
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
ASSETS AND LIABILITIES					
Non-current assets					
Property, plant and equipment	*15*	113,251	116,815	195,461	306,435
Right-of-use assets	*16*	57,082	50,291	31,475	24,452
Intangible assets	*17*	11,116	10,966	8,795	8,539
Investments in associates	*18*	5,085	5,095	5,097	5,073
Investments in subsidiaries	*40*	427,778	580,204	661,395	735,634
Financial assets at fair value through other comprehensive income	*20*	15,000	15,000	1,544	—
Other financial assets	*21*	—	—	356,404	517,547
Time deposits	*26*	30,803	32,068	101,154	102,441
Prepayments, other receivables and other assets	*24*	132	64	58,479	12,061
Deferred tax assets		2,915	4,760	27,194	35,803
		663,162	815,263	1,446,998	1,747,985
Current assets					
Inventories	*22*	124,303	142,680	167,100	165,123
Trade and notes receivables	*23*	411,467	486,867	495,579	503,756
Prepayments, other receivables and other assets	*24*	10,765	16,741	23,398	46,784
Financial assets at fair value through profit or loss	*19*	2,386	11	305,920	571,420
Financial assets at fair value through other comprehensive income	*20*	—	22	—	—
Other financial assets	*21*	1,363,891	1,012,194	107,011	30,657
Restricted bank deposits	*25*	23	90,513	—	—
Time deposits	*26*	137,574	266,358	469,732	88,069
Cash and cash equivalents	*27*	194,887	250,656	211,240	188,714
		2,245,296	2,266,042	1,779,980	1,594,523

	Notes	As at December 31, 2023	As at December 31, 2024	As at December 31, 2025	As at July 31, 2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current liabilities					
Trade and notes payables	*29*	23,457	37,511	91,342	79,435
Contract liabilities	*30*	1,329	1,427	1,290	2,004
Other payables and accruals	*31*	38,663	59,172	65,217	76,771
Borrowings	*32*	6,009	79,437	26	159
Lease liabilities	*16*	17,064	23,134	17,557	18,816
Income tax payable		8,201	—	5,432	8,337
		94,723	200,681	180,864	185,522
Net current assets		2,150,573	2,065,361	1,599,116	1,409,001
Total assets less current liabilities		2,813,735	2,880,624	3,046,114	3,156,986
Non-current liabilities					
Borrowings	*32*	—	—	55,278	78,164
Lease liabilities	*16*	35,755	23,151	11,681	4,956
Deferred income	*33*	1,631	—	90,260	139,091
		37,386	23,151	157,219	222,211
Net assets		2,776,349	2,857,473	2,888,895	2,934,775
Equity					
Share capital	*34*	120,000	120,000	167,177	167,678
Treasury shares	*34*	(9,998)	(5,781)	—	—
Other reserves	*35*	2,150,077	2,147,631	2,084,871	2,112,993
Retained earnings		516,270	595,623	636,847	654,104
Total equity		2,776,349	2,857,473	2,888,895	2,934,775

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company										
	Share capital	Treasury shares	Share premium	Other capital reserve	Share-based payment reserves	Other comprehensive income reserve	Statutory reserve	Retained earnings	Sub-total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* Note (a)	*RMB'000* Note (b)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	80,000	—	2,130,065	2,453	7,248	(1,090)	40,000	304,529	2,563,205	5,503	2,568,708
Profit/(loss) for the year	—	—	—	—	—	—	—	153,593	153,593	(6,041)	147,552
Other comprehensive income for the year	—	—	—	—	—	7,939	—	—	7,939	—	7,939
Total comprehensive income/(loss) for the year	—	—	—	—	—	7,939	—	153,593	161,532	(6,041)	155,491
Repurchase of shares *(Note 34)*	—	(9,998)	—	—	—	—	—	—	(9,998)	—	(9,998)
Share-based payment expenses *(Note 36)*	—	—	—	—	(5,927)	—	—	—	(5,927)	—	(5,927)
Appropriation of statutory reserve	—	—	—	—	—	—	19,691	(19,691)	—	—	—
Conversion of share premium into share capital *(Note 34)*	40,000	—	(40,000)	—	—	—	—	—	—	—	—
Dividend declared *(Note 13)*	—	—	—	—	—	—	—	(120,000)	(120,000)	—	(120,000)
Transactions with non-controlling interests *(Note (c))*	—	—	747	—	—	—	—	—	747	(747)	—
As at December 31, 2023	120,000	(9,998)	2,090,812	2,453	1,321	6,849	59,691	318,431	2,589,559	(1,285)	2,588,274

	Attributable to owners of the Company										
	Share capital	Treasury shares	Share premium	Other capital reserve	Share-based payment reserves	Other comprehensive income reserve	Statutory reserve	Retained earnings	Sub-total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* Note (a)	*RMB'000* Note (b)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2024	120,000	(9,998)	2,090,812	2,453	1,321	6,849	59,691	318,431	2,589,559	(1,285)	2,588,274
Profit/(loss) for the year	—	—	—	—	—	—	—	123,832	123,832	(3,790)	120,042
Other comprehensive income for the year	—	—	—	—	—	8,697	—	—	8,697	—	8,697
Total comprehensive income/(loss) for the year	—	—	—	—	—	8,697	—	123,832	132,529	(3,790)	128,739
Repurchase of shares *(Note 34)*	—	(12,000)	—	—	—	—	—	—	(12,000)	—	(12,000)
Share-based payment expenses *(Note 36)*	—	—	—	—	6,403	—	—	—	6,403	—	6,403
Dividend declared *(Note 13)*	—	—	—	—	—	—	—	(107,754)	(107,754)	—	(107,754)
Vesting of shares under restricted stock incentive plans *(Note 34)*	—	16,217	(1,434)	—	(7,724)	—	—	—	7,059	—	7,059
Appropriation of statutory reserve	—	—	—	—	—	—	309	(309)	—	—	—
Transactions with non-controlling interests *(Note (c))*	—	—	(142)	—	—	—	—	—	(142)	142	—
As at December 31, 2024	120,000	(5,781)	2,089,236	2,453	—	15,546	60,000	334,200	2,615,654	(4,933)	2,610,721

	Attributable to owners of the Company										
	Share capital	Treasury shares	Share premium	Other capital reserve	Share-based payment reserves	Other comprehensive income reserve	Statutory reserve	Retained earnings	Sub-total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* Note (a)	*RMB'000* Note (b)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2025	120,000	(5,781)	2,089,236	2,453	—	15,546	60,000	334,200	2,615,654	(4,933)	2,610,721
Profit/(loss) for the year	—	—	—	—	—	—	—	165,568	165,568	(724)	164,844
Other comprehensive loss for the year	—	—	—	—	—	(8,289)	—	—	(8,289)	—	(8,289)
Total comprehensive (loss)/income for the year	—	—	—	—	—	(8,289)	—	165,568	157,279	(724)	156,555
Conversion of share premium into share capital *(Note 34)*	47,848	—	(47,848)	—	—	—	—	—	—	—	—
Repurchase of shares *(Note 34)*	—	(23,853)	—	—	—	—	—	—	(23,853)	—	(23,853)
Share-based payment expenses *(Note 36)*	—	—	—	—	11,598	—	—	—	11,598	—	11,598
Dividend declared *(Note 13)*	—	—	—	—	—	—	—	(83,791)	(83,791)	—	(83,791)
Appropriation of statutory reserve	—	—	—	—	—	—	13,891	(13,891)	—	—	—
Cancellation of treasury shares	(671)	29,634	(28,963)	—	—	—	—	—	—	—	—
Transactions with non-controlling interests *(Note (c))*	—	—	(19,158)	—	—	—	—	—	(19,158)	5,657	(13,501)
As at December 31, 2025	167,177	—	1,993,267	2,453	11,598	7,257	73,891	402,086	2,657,729	—	2,657,729

	Attributable to owners of the Company										
	Share capital	Treasury shares	Share premium	Other capital reserve	Share-based payment reserves	Other comprehensive income reserve	Statutory reserve	Retained earnings	Sub-total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* *Note (a)*	*RMB'000* *Note (b)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2025	120,000	(5,781)	2,089,236	2,453	—	15,546	60,000	334,200	2,615,654	(4,933)	2,610,721
Profit/(loss) for the period (unaudited)	—	—	—	—	—	—	—	90,054	90,054	(219)	89,835
Other comprehensive loss for the period (unaudited)	—	—	—	—	—	(6,493)	—	—	(6,493)	—	(6,493)
Total comprehensive (loss)/income for the period (unaudited)	—	—	—	—	—	(6,493)	—	90,054	83,561	(219)	83,342
Conversion of share premium into share capital *(Note 34)* (unaudited)	47,848	—	(47,848)	—	—	—	—	—	—	—	—
Repurchase of shares *(Note 34)* (unaudited)	—	(19,610)	—	—	—	—	—	—	(19,610)	—	(19,610)
Share-based payment expenses *(Note 36)* (unaudited)	—	—	—	—	3,268	—	—	—	3,268	—	3,268
Dividend declared *(Note 13)* (unaudited)	—	—	—	—	—	—	—	(83,791)	(83,791)	—	(83,791)
Appropriation of statutory reserve (unaudited)	—	—	—	—	—	—	8,048	(8,048)	—	—	—
Transactions with non-controlling interests *(Note (c))* (unaudited)	—	—	(2,648)	—	—	—	—	—	(2,648)	2,648	—
As at July 31, 2025 (unaudited)	167,848	(25,391)	2,038,740	2,453	3,268	9,053	68,048	332,415	2,596,434	(2,504)	2,593,930

	Attributable to owners of the Company										
	Share capital	Treasury shares	Share premium	Other capital reserve	Share-based payment reserves	Other comprehensive income reserve	Statutory reserve	Retained earnings	Sub-total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* Note (a)	*RMB'000* Note (b)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2026	167,177	—	1,993,267	2,453	11,598	7,257	73,891	402,086	2,657,729	—	2,657,729
Profit for the period	—	—	—	—	—	—	—	122,794	122,794	—	122,794
Other comprehensive loss for the period	—	—	—	—	—	(10,086)	—	—	(10,086)	—	(10,086)
Total comprehensive (loss)/income for the period	—	—	—	—	—	(10,086)	—	122,794	112,708	—	112,708
Share-based payment expenses *(Note 36)*	—	—	—	—	11,308	—	—	—	11,308	—	11,308
Dividend declared *(Note 13)*	—	—	—	—	—	—	—	(100,307)	(100,307)	—	(100,307)
Vesting of shares under restricted stock incentive plans *(Note 34)*	501	—	20,531	—	(12,354)	—	—	—	8,678	—	8,678
Appropriation of statutory reserve	—	—	—	—	—	—	9,949	(9,949)	—	—	—
As at July 31, 2026	167,678	—	2,013,798	2,453	10,552	(2,829)	83,840	414,624	2,690,116	—	2,690,116

Notes:

(a) Other comprehensive income reserve is the reserve due to the translation of financial statements of foreign operations and the changes in fair value of financial assets at fair value through other comprehensive income.

(b) It represents the statutory reserve of the Company established in the People's Republic of China (the "**PRC**").

(c) During the year/period, the Group and non-controlling shareholders conducted a non-pro-rata capital increase in a subsidiary, which was accounted for as an equity transaction and no gain or loss was recognised in profit or loss. During the year ended December 31, 2025, the Group acquired all non-controlling interests in this subsidiary.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended December 31,			Seven months ended July 31,	
		2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Operating activities						
Profit before income tax		160,669	124,915	169,323	91,137	132,177
Adjustments for:						
Share of results of associates, net		(66)	(782)	(3,666)	(1,168)	(2,962)
Depreciation of property, plant and equipment	15	35,526	46,467	62,499	36,452	34,823
Depreciation of right-of-use assets	16	20,950	22,982	22,774	13,262	13,255
Amortization of intangible assets	17	3,002	2,827	2,865	1,710	1,755
Net gains on disposal of financial assets at fair value through profit or loss	7	(4,635)	(1,558)	(2,349)	(457)	(2,807)
Losses on forward exchange contracts	7	—	3,817	—	—	—
Fair value gains on financial assets at fair value through profit or loss	7	(664)	—	(4,550)	(6,033)	(1,169)
Net losses/(gains) on disposal of property, plant and equipment, right-of-use assets and intangible assets	7	107	351	84	(67)	369
Net impairment losses recognized on inventories	9	37,648	39,757	64,420	39,851	45,938
Interest income	6	(56,221)	(61,907)	(50,076)	(25,890)	(17,661)
Finance costs	11	2,695	3,543	2,689	1,946	1,009
Net impairment losses recognized on financial assets	8	1,711	2,171	4,096	1,359	2,675
Impairment losses recognized on property, plant and equipment	7	—	—	3,963	3,963	—
Share-based payment expenses	36	(5,927)	6,403	13,623	3,761	13,074
Amortization of deferred government grants	6	(2,469)	(1,631)	—	—	(891)
Net foreign exchange (gains)/losses		(5,996)	(5,559)	7,765	(2,331)	16,611
Increase in trade and notes receivables		(13,095)	(28,132)	(36,794)	(17,957)	(41,776)
(Increase)/decrease in notes receivables measured at FVTOCI		—	(22)	22	22	—
(Increase)/decrease in prepayments, other receivables and other assets		(552)	(18,483)	12,940	13,197	(4,583)
(Increase)/decrease in restricted bank deposits		(42,405)	(53,480)	95,960	96,234	(2,782)
Increase in inventories		(81,315)	(100,171)	(131,029)	(78,634)	(38,860)

	Notes	Year ended December 31,			Seven months ended July 31,	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Increase in trade and notes payables		1,115	15,194	35,249	2,912	(1,472)
Increase/(decrease) in other payables and accruals		38,445	48,850	6,662	(14,146)	(17,963)
Increase in contract liabilities		488	552	514	1,343	3,592
Increase in deferred income		—	—	—	—	2,882
Cash generated from operations		89,011	46,104	276,984	160,466	135,234
Interest received		6,054	3,620	8,830	3,651	1,312
Income tax paid		(34,034)	(23,305)	(20,335)	(10,325)	(18,222)
Net cash flows generated from operating activities		61,031	26,419	265,479	153,792	118,324
Investing activities						
Purchase of property, plant and equipment		(126,349)	(164,324)	(203,903)	(30,363)	(104,469)
Purchase of intangible assets		(2,339)	(2,940)	(1,179)	(1,060)	(110)
Receipt of government grants related to assets		—	—	90,260	—	46,840
Proceeds from disposal of property, plant and equipment, right-of-use assets and intangible assets		3	4,708	1,207	154	638
Interest received		7,796	46,750	102,352	97,586	24,746
Receipt from maturity of other financial assets		337,000	499,080	918,000	888,000	275,000
Placement of other financial assets		(360,000)	(139,080)	(441,196)	(400,380)	(360,956)
Receipt from maturity of time deposits		137,331	856,375	734,742	263,876	433,263
Placement of time deposits		(313,296)	(927,755)	(1,036,488)	(517,100)	(148,624)
Proceeds from sale of financial assets at fair value through profit or loss		846,276	89,408	602,630	50,468	364,161
Purchase of financial assets at fair value through profit or loss		(597,731)	(89,292)	(994,510)	(417,381)	(533,498)
Purchase of financial assets at fair value through other comprehensive income		(1,764)	(100)	(1,800)	(1,000)	—
Cash acquired from/(paid for) an asset acquisition		31,921	(1,696)	—	—	—
Net cash flows (used in)/generated from investing activities		(41,152)	171,134	(229,885)	(67,200)	(3,009)

	Notes	Year ended December 31,			Seven months ended July 31,	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Financing activities						
Proceeds from issue of restricted shares		—	7,059	—	—	8,678
Proceeds from borrowings		6,000	97,457	55,278	19,557	24,030
Repayment of borrowings		—	(16,000)	(87,457)	(74,857)	(1,144)
Interest paid for borrowings		—	(460)	(1,760)	(1,267)	(635)
Dividends paid		(120,000)	(107,754)	(83,791)	(83,791)	(100,307)
Principal elements and interest elements of lease payments		(31,931)	(26,778)	(23,394)	(15,660)	(12,603)
Payment on repurchase of shares		(9,998)	(12,000)	(23,853)	(19,610)	—
[REDACTED]		**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Acquisition of non-controlling interests		—	—	(13,501)	—	—
Net cash flows used in financing activities		(155,929)	(58,476)	(179,421)	(175,628)	(96,146)
Net (decrease)/increase in cash and cash equivalents		(136,050)	139,077	(143,827)	(89,036)	19,169
Cash and cash equivalents at beginning of year/period	*27*	438,701	316,499	463,230	463,230	311,639
Effect of foreign exchange rate changes, net		13,848	7,654	(7,764)	1,967	(6,544)
Cash and cash equivalents at end of year/period	*27*	316,499	463,230	311,639	376,161	324,264

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company was a limited liability company incorporated in the PRC on July 22, 2010 and changed to a joint stock limited company on June 9, 2020. The Company's A shares are listed on Shenzhen Stock Exchange on October 18, 2021. The address of the Company's registered office and its principal place of business is 4th Floor of Building 4, No. 8 Hongda North Road, Beijing Economic and Technological Development Zone, Beijing, the PRC.

During the Track Record Period, the Company and its subsidiaries are principally engaged in the research and development, production and sales of recombinant proteins, antibodies, analytical assay kits and other reagents and provision of technical services. The products are used by customers across drug discovery, pre-clinical and clinical development and commercial-scale biomanufacturing activities. In addition to product sales, the Group generates revenue from value-added services (technical services) such as customized development and analytical testing. These products and services collectively represent principal revenue streams and support customers' research and bioprocess development activities.

In the opinion of the directors of the Company, Chen Yiding (陳宜頂) is the controlling and ultimate shareholder of the Company. As at July 31, 2026, Chen Yiding directly holds 23.58% and indirectly holds 6.59% of the Company's equity, totaling 30.17% of the Company's equity.

In this Historical Financial Information, certain English name of the companies referred herein represent the management's best effort to translate the Chinese name of the companies as no English name has been registered.

2. BASIS OF PRESENTATION AND PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which collective term includes all applicable individual International Financial Reporting Standards ("**IFRSs**"), International Accounting Standards ("**IAS**") and Interpretations approved by the IASB. In addition, the Historical Financial Information includes applicable disclosures required by the Listing Rules and by the Hong Kong Companies Ordinance.

The Historical Financial Information has been prepared on the historical cost basis except for certain financial assets which are stated at fair value.

It should be noted that accounting estimates and assumptions are used in preparation of the Historical Financial Information. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4.

The material accounting policy information that has been used in the preparation of this Historical Financial Information are disclosed in Note 3.2. These accounting policies have been consistently applied to all the periods presented in the Historical Financial Information, unless otherwise stated.

All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2026, together with the relevant transitional provisions, have been adopted by the Group in the preparation of the Historical Financial Information throughout the Track Record Period. The adoption of the IFRS Accounting Standards do not have any significant impact on the financial positions or results of the Group during the Track Record Period.

3.1 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not early adopted the following new and amended IFRS Accounting Standards which have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37	Disclosures about Uncertainties in the Financial Statements[1]
IFRS 18	Presentation and Disclosure in Financial Statements[1]
IFRS 19 and its amendments	Subsidiaries without Public Accountability: Disclosures[1]
IFRS 20	Regulatory Assets and Regulatory Liabilities[2]
Amendments to IAS 28	Fair Value Option for Investments in Associates and Joint Ventures[1]
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency[1]

1 Effective for accounting periods beginning on or after January 1, 2027
2 Effective for accounting periods beginning on or after January 1, 2029
3 Effective dates not yet determined

Except for new IFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all the new and amendments to IFRS Accounting Standards will have no material impact on the Historical Financial Information of the Group in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for accounting periods beginning on or after January 1, 2027, with early application permitted. The application of IFRS 18 has no impact on the Group's financial positions and performance but has impact on presentation of the consolidated statements of comprehensive income.

3.2 MATERIAL ACCOUNTING POLICY INFORMATION

Basis of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated fully from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intra-group transactions, balances and unrealized gains and losses on transactions between group companies are eliminated in preparing the Historical Financial Information. Where unrealized losses on sales of intra-group assets are reversed in consolidation, the underlying asset is also tested for impairment from the Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated balance sheets, respectively.

In the Company's statement of financial position, subsidiaries are carried at cost less any impairment loss unless the subsidiary is held for sale or included in a disposal group. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

Investments in associates

An associate is an entity over which the Group has significant influence but no control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost.

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealized gains on transactions between the group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

Foreign currency translation

The Historical Financial Information is presented in RMB, which is also the functional currency of the Company. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the end of the reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from their translation of monetary assets and liabilities at the end of the reporting period are recognized in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated (i.e., only

translated using the exchange rates at the transaction date). When a fair value gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is also recognized in profit or loss. When a fair value gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is also recognized in other comprehensive income.

In the Historical Financial Information, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into RMB. Assets and liabilities have been translated into RMB at the closing rates at the end of the reporting period. Income and expenses have been converted into RMB at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognized in other comprehensive income and accumulated separately in the other comprehensive income reserve in equity.

Asset acquisitions

Groups of assets acquired and liabilities assumed are assessed to determine if they are business or asset acquisitions. On an acquisition-by-acquisition basis, the Group chooses to apply a simplified assessment of whether an acquired set of activities and assets is an asset rather than business acquisition, when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

When a group of assets acquired and liabilities assumed do not constitute a business, the overall acquisition cost is allocated to the individual identifiable assets and liabilities based on their relative fair values at the date of acquisition. An exception is when the sum of the individual fair values of the identifiable assets and liabilities differs from the overall acquisition cost. In such case, any identifiable assets and liabilities that are initially measured at an amount other than cost in accordance with the Group's policies are measured accordingly, and the residual acquisition cost is allocated to the remaining identifiable assets and liabilities based on their relative fair values at the date of acquisition.

Property, plant and equipment

Property, plant and equipment (other than construction in progress as described below) are initially recognized at acquisition cost and/or manufacturing cost (including any cost directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Group's management, including costs of testing whether the related assets are functioning properly). They are subsequently stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognized so as to write off the cost of assets other than construction in progress less their residual values using the straight-line basis over their estimated useful lives as follow:

Buildings	30–50 years
Machinery and equipment	3–10 years
Transportation equipment	5–10 years
Electronic equipment	3–5 years
Others	3–10 years

Estimates of residual value and useful life are reviewed, and adjusted if appropriate, at the end of each year/period for the Track Record Period.

Gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other costs, such as repairs and maintenance, are charged to profit or loss during the financial period in which they are incurred.

Right-of-use assets

Accounting policies of right-of-use assets (other than prepaid land lease payments) are set out in "Leases" below.

Prepaid land lease payments (which meet the definition of right-of-use assets) represent the upfront payment for long-term land lease in which the payment can be reliably measured. It is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight-line basis over the term of the lease/right-of-use except where an alternative basis is more representative of the time pattern of benefits to be derived by the Group from use of assets.

Intangible assets

Acquired intangible assets are recognized initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortization and any accumulated impairment losses. Amortization for intangible assets with finite useful lives is provided on straight-line basis over their estimated useful lives. Amortization commences when the intangible assets are available for use. The useful lives are as follows:

Software	2–10 years
Patent rights and non-patented technologies	5 years

The assets' amortization methods and useful lives are reviewed, and adjusted if appropriate, at the end of each year/period for the Track Record Period.

Intangible assets are subject to impairment testing as described in "Impairment of non-financial assets" below.

Research and development

Costs associated with research activities are expensed in profit or loss as they incur. Costs that are directly attributable to development activities are recognized as intangible assets provided they meet all of the following recognition requirements:

(i) demonstration of technical feasibility of the prospective product for internal use or sale;

(ii) there is intention to complete the intangible asset and use or sell it;

(iii) the Group's ability to use or sell the intangible asset is demonstrated;

(iv) the intangible asset will generate probable economic benefits through internal use or sale;

(v) sufficient technical, financial and other resources are available for completion; and

(vi) the expenditure attributable to the intangible asset can be reliably measured.

Direct costs include employee costs incurred on development activities along with an appropriate portion of relevant overheads. The costs of development of internally generated software, products or know-how that meet the above recognition criteria are recognized as intangible assets. They are subject to the same subsequent measurement method as acquired intangible assets.

All other development costs are expensed as incurred.

Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all of its risks and rewards are transferred. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Financial assets

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15 "Revenue from Contracts with Customers", all financial assets are initially measured at fair value, in case of a financial asset not at fair value through profit or loss ("**FVTPL**"), plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortized cost;
- FVTPL; or
- Fair value through other comprehensive income ("**FVTOCI**").

The classification is determined by both:

- the Group's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

Subsequent measurement of financial assets

Debt instruments

Financial assets at amortized cost

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortized cost using the effective interest method. Interest income from these financial assets is included other income in profit or loss. Discounting is omitted where the effect of discounting is immaterial. The Group's restricted bank deposits, time deposits, cash and cash equivalents, trade and notes receivables, other receivables fall into this category of financial instruments.

Financial assets at FVTOCI — recycling

If the contractual cash flows of the financial assets comprise solely payments of principal and interest and are held within a business model whose objective is achieved by both the collection of contractual cash flows and sale, subsequent changes in fair value are recognized in other comprehensive income, except for the recognition in profit or loss of expected credit loss ("**ECL**"), interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognized, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

Financial assets at FVTPL

Financial assets that are held within a different business model other than "hold to collect" or "hold to collect and sell" are categorized at FVTPL. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements under IFRS 9 apply.

Equity instruments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment, the Group elects to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognized in other comprehensive income and accumulated in "other comprehensive income reserve" in equity. Such elections are made on an instrument-by-instrument basis but only be made if the investment meets the definition of equity from the issuer's perspective.

The equity instruments at FVTOCI are not subject to impairment assessment. The cumulative gain or loss in "other comprehensive income reserve" will not be reclassified to profit or loss upon disposal of the equity investments and will be transferred to retained earnings.

Dividends from these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognize ECL — the "ECL model". Instruments within the scope included cash and bank deposits, trade receivables, notes receivables, and other financial assets measured at amortized cost.

The Group considers a broader range of information when assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs.

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs.

Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Cash and bank deposits, time deposits and restricted bank deposits

Cash and bank deposits, time deposits and restricted bank deposits are considered to have low credit risk because the counterparties are banks and have a low risk of default, and have a strong capacity to meet its contractual cash flow obligations in the near term. Cash and bank deposits, time deposits and restricted bank deposits are also subject to the impairment requirements of IFRS 9, while the identified credit loss was immaterial.

Trade receivables and notes receivables

For trade and notes receivables, the Group applies a simplified approach in calculating ECL and recognizes a loss allowance based on lifetime ECL at the end of each year/period for the Track Record Period. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. In calculating the ECL, the Group has established a provision matrix that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors and the economic environment.

To measure the ECL, except for trade and notes receivables with significant outstanding balances which are assessed individually, the remaining trade and notes receivables have been grouped based on shared credit risk characteristics.

For notes receivables measured at FVTOCI, the Group assumes that the credit risk on notes receivables measured at FVTOCI has not increased significantly since initial recognition if the notes receivables measured at FVTOCI is determined to have low credit risk at the end of each reporting period. Notes receivables measured at FVTOCI is determined to have low credit risk if it has a low risk of default, the borrower has strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Other receivables and other financial assets

The Group measures the loss allowance for other receivables equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increase in the likelihood of risk of default occurring since initial recognition.

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial assets at the end of each year/period for the Track Record Period with the risk of default occurring on the financial assets at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating,
- significant deterioration in external market indicators of credit risk, e.g., a significant increase in the credit spread and the credit default swap prices for the debtor;
- existing or forecast adverse changes in regulatory, business, financial, economic conditions, or technological environment that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations; and
- an actual or expected significant deterioration in the operating results of the debtor.

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Detailed analysis of the ECL assessment of trade receivables, other financial assets and notes receivables measured at FVTOCI are set out in Note 45.

Financial liabilities

Classification and measurement of financial liabilities

The Group's financial liabilities include trade and notes payables, other payables and accruals, borrowings and lease liabilities.

Financial liabilities (other than lease liabilities) are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at FVTPL.

Subsequently, financial liabilities (other than lease liabilities) are measured at amortized cost using the effective interest method except for derivatives which are not designated as hedging instruments in hedge relationships and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included in finance costs or other income.

Accounting policies of lease liabilities are set out in "Leases" below.

Borrowings

Borrowings are recognized initially at fair value, net of transaction costs. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date of Track Record Period.

Trade payables, other payables and accruals

Trade payables, other payables and accruals are recognized initially at their fair value and subsequently measured at amortized cost, using the effective interest method.

Contract liabilities

Contract liabilities are recognized when the customer pays consideration before the Group recognizes the related revenue. Contract liabilities would also be recognized if the Group has an unconditional right to receive consideration before the Group recognizes the related revenue. In such cases, a corresponding receivable would also be recognized.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis. When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

Inventories

Inventories are carried at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses. Cost is determined using the first-in-first-out basis, and in the case of work-in-progress and finished goods, comprise direct materials, direct labor and an appropriate proportion of overheads.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks and short term highly liquid investments with original maturities of three months or less normally or designated for meeting short-term cash needs and that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank balances for which use by the Group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed in Note 25.

Leases

Definition of a lease and the Group as a lessee

At inception of a contract, the Group considers whether a contract is, or contains a lease. A lease is defined as "a contract, or part of a contract, that conveys the right to use an identified asset (the underlying asset) for a period of time in exchange for consideration". To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognizes a right-of-use asset and a lease liability on the consolidated statements of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any lease incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term unless the Group is reasonably certain to obtain ownership at the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicator exists.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable payments based on an index or rate, and amounts expected to be payable under a residual value guarantee.

Subsequent to initial measurement, the liability will be reduced for lease payments made and increased for interest cost on the lease liability. It is remeasured to reflect any reassessment or lease modification, or if there are changes in in-substance fixed payments.

The Group remeasures lease liabilities whenever:

- there are changes in lease term or in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

For lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of modification.

When the lease is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit or loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these leases are recognized as an expense in profit or loss on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 months or less.

Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

An onerous contract exists when the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the net cost of fulfilling the contract (which includes both incremental costs and an allocation of other costs that relate directly to fulfilling that contract).

Contingent liabilities assumed in a business combination which are present obligations at the date of acquisition are initially recognized at fair value, provided the fair value can be reliably measured. After the initial recognition at fair value, such contingent liabilities are recognized at the higher of the amount initially recognized, less accumulated amortization where appropriate, and the amount that would be recognized in a comparable provision as described above. Contingent liabilities assumed in a business combination that cannot be reliably fair valued or were not present obligations at the date of acquisition are disclosed as per above.

Share capital

Share capital are classified as equity. Share capital is recognized at the amount of consideration of shares issued, after deducting any transaction costs associated with the issue of shares (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

Revenue recognition

Revenue mainly arises from sales of recombinant proteins;

To determine whether to recognize revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognizing revenue when or as performance obligations are satisfied

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognized either at a point in time or over time, when the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Revenue from sale of goods

Revenue from sale of goods between the Group and its customers generally only includes a performance obligation for the transfer of goods, which is recognized when the performance obligation has been satisfied at a point in time.

Revenue for domestic and overseas sale of goods is recognized when the Group has delivered the products to the customers or other parties entrusted by the customers in accordance with the contract terms and has received acceptance and other proof of receipt from the customers or other parties entrusted by the customers.

Revenue from rendering of services

The Group provides technical services and recognizes the corresponding revenue when the services are completed and the right to consideration is obtained, with the associated revenue and costs being reliably measurable.

Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Impairment of non-financial assets

The following assets are subject to impairment testing:

- Intangible assets;
- Property, plant and equipment;
- Right-of-use assets; and
- The Company's investments in subsidiaries and the Group's investments in associates.

Assets with indefinite useful life or those not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognized as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purpose of assessing impairment, where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e., a CGU). As a result, some assets are tested individually for impairment and some are tested at CGU level. Corporate assets are allocated to individual CGUs, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Impairment losses recognized for CGUs, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the CGU, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there has been a favorable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Employee benefits

Short-term employee benefits

Salaries, discretionary bonuses, paid annual leave and the cost of non-monetary benefits are accrued and recognized in the year/period in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Pension scheme

Retirement benefits to employees are provided through defined contribution plans. The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. This subsidiary is required to contribute a certain percentage of its payroll costs to the central pension scheme. Contributions are recognized as an expense in profit or loss as employees render services during the year/period. The Group's obligations under these plans are limited to the fixed percentage contributions payable.

Housing funds, medical insurances and other social insurances

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each year/period. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

Termination benefits

Termination benefits are recognized at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes restructuring costs involving the payment of termination benefits.

Share-based employee compensation

Share-based payments can be distinguished into equity-settled share-based payments and cash-settled share-based payments.

All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. These are indirectly determined by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets and performance conditions).

All share-based compensation is recognized as an expense in profit or loss over the vesting period if vesting conditions apply, or recognized as an expense in full at the grant date when the equity instruments granted vest immediately unless the compensation qualifies for recognition as asset, with a corresponding increase in the "capital reserve" in equity. If vesting conditions apply, the expense is recognized over the vesting period based on the best available estimate of the number of equity instruments expected to vest. Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of equity instruments expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognized in the current period.

A cash-settled share-based payment shall be measured in accordance with the fair value of liability calculated and confirmed based on the shares or other equity instruments undertaken by the Group. If the right may be exercised immediately after the grant, the fair value of the liability undertaken by the enterprise shall, on the date of the grant, be included in the relevant costs or expenses, and the liabilities shall be increased accordingly. If the right may not be exercised until services are completed or until the specified performance conditions are met during the vesting period, the services obtained in the current period shall, based on the best estimate of the information about the exercisable right, be included in the relevant costs or expenses at the fair value of the liability undertaken by the enterprise, and the liabilities shall be increased accordingly. On each balance sheet date prior to settlement of the relevant liabilities and on the settlement date, the fair value of the liability is re-measured and any change of fair value is taken to profit or loss for the current period.

Borrowing costs

Borrowing costs incurred, net of any investment income earned on the temporary investment of the specific borrowings, for the acquisition, construction or production of any qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

Borrowing costs are capitalized as part of the cost of a qualifying asset when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are being undertaken. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Accounting for income taxes

Income tax comprises current tax and deferred income tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the end of the reporting period. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year/period. All changes to current tax assets or liabilities are recognized as a component of tax expense in profit or loss.

Deferred income tax is calculated using the liability method on temporary differences at the end of the reporting period between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred income tax liabilities are generally recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilized.

Deferred income tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred income tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies the requirements in IAS 12 to the lease liabilities and the related assets separately. The Group recognizes a deferred income tax asset related to the lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized and a deferred income tax liability for all taxable temporary differences.

Deferred income tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realized, provided they are enacted or substantively enacted at the end of each year/period for the Track Record Period.

Changes in deferred income tax assets or liabilities are recognized in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

When different tax rates apply to different levels of taxable income, deferred income tax assets and liabilities are measured using the average tax rates that are expected to apply to the taxable income of the periods in which the temporary differences are expected to reverse.

The determination of the average tax rates requires an estimation of (i) when the existing temporary differences will reverse and (ii) the amount of future taxable profit in those years. The estimate of future taxable profit includes:

- income or loss excluding reversals of temporary differences; and
- reversals of existing temporary differences.

Current tax assets and current tax liabilities are presented in net if, and only if,

(a) the Group has the legally enforceable right to set off the recognized amounts; and

(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The Group presents deferred income tax assets and deferred income tax liabilities in net if, and only if,

(c) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

(d) the deferred income tax assets and the deferred income tax liabilities relate to income taxes levied by the same taxation authority on either:

(i) the same taxable entity; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred income tax liabilities or assets are expected to be settled or recovered.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of Historical Financial Information requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

The classification of financial assets

The classification of financial assets at initial recognition depends on the business model the Group adopts to manage financial assets. In judging the business model, the Group considers, among others, the methods by which it assesses and the way by which it reports to the key managers about the results of financial assets, the risks confronted by the results of financial assets and relevant risks management methods, and the way determining the compensation of business operators. When determining whether the business model maintained for the purpose of receiving contractual cash flows, the Group needs to analyze the reasons for selling financial assets before expiry dates, the time, frequency and consideration of the selling.

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions, as well as forward-looking estimates at the end of each year/period for the Track Record Period. Details of the key assumptions and inputs used are disclosed in the tables in Note 45.

Inventory provision

Inventories are stated at the lower of cost and net realizable value. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Even though the management of the Group has made the best estimate about the inventory write-down loss predicted to occur and provided allowance for write-down, the write-down assessment may still be significantly changed due to the change of market situation.

Fair value of financial assets at FVTPL

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each year/period for the Track Record

Period. Changes in these assumptions and estimates could materially affect the respective fair value of these investments. Details of the assumptions and estimates in determination of the fair value are disclosed in Note 44.

Income taxes and deferred income taxations

There are many transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgements are required from the Group in determining the provisions for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

The Group recognizes deferred income tax assets based on estimates that it is probable to generate sufficient taxable profits in the foreseeable future against which the deductible losses will be utilized. The recognition of deferred income tax assets mainly involves management's judgements and estimations about the timing and the amount of taxable profits of the companies which have tax losses.

Recognition of share-based compensation expenses

As disclosed in Note 36, the Group granted stock incentive to the Group's employees, which are viewed as share-based payment transaction in substance. These transactions resulted in the recognition of share-based compensation expenses.

Estimating the fair value of share-based payment transactions requires the determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model including the expected life of the stock incentive granted, expected volatility, expected dividend yield and risk-free rate and making assumptions about them.

For the measurement of the fair value of share-based payment transactions with employees at the grant date, the Group uses a Black-Scholes option pricing model. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 36.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("**IBR**") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

5. REVENUE AND SEGMENT INFORMATION

The Group's principal activities are disclosed in Note 1 to the Historical Financial Information. Disaggregation of revenue from contracts with customers by the type of goods and services was analyzed as follows:

	Year ended December 31,			Seven months ended July 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Type of goods and services					
— Recombinant proteins .	456,501	535,694	678,962	377,517	486,362
— Antibodies	28,322	32,632	39,199	22,766	27,193
— Analytical assay kits . .	19,041	22,415	37,159	18,181	30,381
— Technical services	15,492	17,448	17,077	8,313	17,513
— Others	24,297	36,834	65,721	35,606	44,728
	543,653	645,023	838,118	462,383	606,177

All revenue from contracts with customers within the scope of IFRS 15 is recognized at a point in time. The Group has applied the practical expedient in paragraph 121 of IFRS 15 to its sales of goods and services delivered, such that it does not disclose the information about its remaining performance obligations as the contracts have an original expected duration of one year or less.

The operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's management reviews the performance of the Group as a single operating segment based on the internal organization structure, management requirements and internal reporting system. Accordingly, only entity-wide disclosure, along with the Group's result and financial position as a whole, major customers and geographic information are presented.

The following table shows how much of the revenue recognized during the Track Record Periods relates to carried-forward contract liabilities:

	Year ended December 31,			Seven months ended July 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Revenue recognized that was included in the contract liabilities balance at the beginning of the year/period	3,149	3,637	4,189	2,379	2,651

Geographical information

The following table sets out the information about the geographical location of the Group's revenue from external customers based on the geographical location of customers to which the goods are delivered:

	Year ended December 31,			Seven months ended July 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Revenue from external customers					
— Chinese Mainland	185,302	216,355	303,744	153,623	237,792
— Americas	244,320	284,195	349,435	207,537	237,610
— Europe	78,493	89,378	119,280	65,016	85,252
— Other countries/regions	35,538	55,095	65,659	36,207	45,523
	543,653	645,023	838,118	462,383	606,177

The geographical location of the Group's non-current assets (excluding deferred tax assets, certain financial assets and investments in associates), mainly comprised of the property, plant and equipment, is based on the physical location of these assets. As at the end of each year/period for the Track Record Period, the geographical location of the Group's non-current assets is as follows:

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets (excluding deferred tax assets, financial assets and investments in associates)				
— Chinese Mainland	499,663	578,087	647,514	724,653
— Other countries/regions	4,860	5,227	8,355	8,993
	504,523	583,314	655,869	733,646

Information about major customers

Revenue derived from customers individually contributed over 10% of the Group's revenue during the Track Record Period is as follows:

	Year ended December 31,			Seven months ended July 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Customer A	63,714	74,150	94,969	55,865	71,262

The group of entities under common control of a reporting entity is considered as a single customer.

6. OTHER INCOME

	Year ended December 31,			Seven months ended July 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Other government grants	13,161	6,996	9,074	3,707	2,204
Amortization of deferred government grants	2,469	1,631	—	—	891
Interest income	56,221	61,907	50,076	25,890	17,661
	71,851	70,534	59,150	29,597	20,756

Note:

During the Track Record Period, government grants have no unfulfilled condition or contingencies.

7. OTHER GAINS AND (LOSSES), NET

	Year ended December 31,			Seven months ended July 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Fair value gains on financial assets at FVTPL	664	—	4,550	6,033	1,169
Net (losses)/gains on disposal of property, plant and equipment, right-of-use assets and intangible assets	(107)	(351)	(84)	67	(369)
Net gains on disposal of financial assets at FVTPL	4,635	1,558	2,349	457	2,807
Losses on forward exchange contracts	—	(3,817)	—	—	—
Net foreign exchange gains/(losses)	10,875	3,555	(9,877)	4,298	(16,611)
Impairment losses of property, plant and equipment	—	—	(3,963)	(3,963)	—
Others	(293)	(447)	(337)	224	(204)
	15,774	498	(7,362)	7,116	(13,208)

8. NET IMPAIRMENT LOSSES RECOGNIZED ON FINANCIAL ASSETS

	Year ended December 31,			Seven months ended July 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Impairment losses recognized on trade and notes receivables *(Note 23)*	683	1,504	2,131	1,226	2,602
Impairment losses recognized on other receivables *(Note 24)*	1,028	667	1,965	133	73
	1,711	2,171	4,096	1,359	2,675

9. EXPENSES BY NATURE

Expenses included in cost of sales, research and development expenses, general and administrative expenses and selling expenses are analyzed as follows:

	Year ended December 31,			Seven months ended July 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Changes in finished goods and work-in-progress	(74,863)	(88,998)	(126,469)	(76,352)	(41,075)
Raw materials consumed	35,620	42,146	55,103	32,581	26,137
Employee benefit expenses, excluding share-based payment expenses	246,480	318,787	378,644	212,904	245,812
Share-based payment expenses *(Note 36)*	(5,927)	6,403	13,623	3,761	13,074
Depreciation of property, plant and equipment *(Note 15)*	35,526	46,467	62,499	36,452	34,823
Amortization of intangible assets *(Note 17)*	3,002	2,827	2,865	1,710	1,755
Depreciation of right-of-use assets *(Note 16)*	20,950	22,982	22,774	13,262	13,255
Net impairment losses recognized on inventories	37,648	39,757	64,420	39,851	45,938
Expense relating to short-term leases and leases of low-value assets *(Note 16)*	1,836	3,274	4,680	2,388	2,791
Property fees	5,515	6,806	5,788	2,327	2,399
Business development expenses	2,330	2,416	2,233	1,276	1,211
Office expenses and travelling costs	19,193	25,117	35,361	20,964	23,024
Advertisement and business promotion expenses	51,996	53,693	70,062	46,373	37,852
Logistics fees	18,264	14,875	18,320	11,597	10,928
Professional service fees	13,401	13,238	15,716	9,707	7,921
Outsourcing service fees	5,912	10,930	7,387	4,823	522
Research and development materials consumed	22,524	37,144	41,261	23,314	24,044
Auditor's remuneration	956	1,162	1,125	967	1,009
Taxes and surcharges	2,518	2,696	4,178	1,478	6,899
[REDACTED]	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Others	23,388	24,486	37,359	16,439	21,361
	466,269	586,208	717,464	405,822	480,826

10. EMPLOYEE BENEFIT EXPENSES

(a) Employee benefit expenses are analyzed as follows:

	Year ended December 31,			Seven months ended July 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Salaries, allowances, discretionary bonuses and benefits in kind	226,877	292,556	339,630	192,768	222,760
Retirement scheme contributions	19,426	25,415	35,775	18,034	20,931
Termination benefits	177	816	3,239	2,102	2,121
Share-based payment expenses *(Note 36)*	(5,927)	6,403	13,623	3,761	13,074
	240,553	325,190	392,267	216,665	258,886

(b) Directors' and supervisors' emoluments

Directors' and supervisors' emoluments for the Track Record Period, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, are as follows:

	Fees	Salaries, allowances, discretionary bonuses and benefits in kind	Retirement scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended December 31, 2023					
Executive directors					
Mr. Chen Yiding *(Note (i))*	—	1,007	65	(344)	728
Mr. Miao Jingyun	—	989	65	(284)	770
Dr. Huang Xu *(Note (ii))*	—	825	65	(130)	760
Non-executive directors					
Mr. Qin Yangwen *(Note (iii))*	—	—	—	—	—
Ms. Li Yang *(Note (iv))*	—	—	—	—	—
Independent non-executive directors					
Ms. Xu Juanhong *(Note (v))*	100	—	—	—	100
Mr. Liu Feng *(Note (v))*	100	—	—	—	100
Dr. Zhang Yong *(Note (v))*	100	—	—	—	100
Supervisors					
Ms. Qu Wenting *(Note (vi))*	—	264	48	—	312
Ms. Zhang Lin *(Note (vi))*	—	245	28	(61)	212
Ms. Yu Yangyang *(Note (vi))*	—	177	34	—	211
	300	3,507	305	(819)	3,293

	Fees	Salaries, allowances, discretionary bonuses and benefits in kind	Retirement scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended December 31, 2024					
Executive directors					
Mr. Chen Yiding *(Note (i))*	—	1,989	68	—	2,057
Mr. Miao Jingyun	—	1,198	68	279	1,545
Dr. Huang Xu *(Note (ii))*	—	940	68	111	1,119
Non-executive directors					
Ms. Li Yang *(Note (iv))*	—	—	—	—	—
Independent non-executive directors					
Ms. Xu Juanhong *(Note (v))*	100	—	—	—	100
Mr. Liu Feng *(Note (v))*	100	—	—	—	100
Dr. Zhang Yong *(Note (v))*	100	—	—	—	100
Supervisors					
Ms. Qu Wenting *(Note (vi))*	—	312	52	—	364
Ms. Zhang Lin *(Note (vi))*	—	443	68	—	511
Ms. Yu Yangyang *(Note (vi))*	—	207	36	—	243
	300	5,089	360	390	6,139
Year ended December 31, 2025					
Executive directors					
Mr. Chen Yiding *(Note (i))*	—	2,092	265	—	2,357
Mr. Miao Jingyun	—	2,180	184	—	2,364
Dr. Huang Xu *(Note (ii))*	—	996	53	37	1,086
Ms. Qu Wenting *(Note (vi))*	—	163	15	—	178
Non-executive directors					
Ms. Li Yang *(Note (iv))*	—	—	—	—	—
Independent non-executive directors					
Ms. Xu Juanhong *(Note (v))*	100	—	—	—	100
Mr. Liu Feng *(Note (v))*	100	—	—	—	100
Dr. Zhang Yong *(Note (v))*	100	—	—	—	100
Supervisors					
Ms. Qu Wenting *(Note (vi))*	—	321	42	—	363
Ms. Zhang Lin *(Note (vi))*	—	462	53	—	515
Ms. Yu Yangyang *(Note (vi))*	—	223	29	—	252
	300	6,437	641	37	7,415

	Fees	Salaries, allowances, discretionary bonuses and benefits in kind	Retirement scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Seven months ended July 31, 2025 (unaudited)					
Executive directors					
Mr. Chen Yiding *(Note (i))*	—	1,198	168	—	1,366
Mr. Miao Jingyun	—	1,116	104	—	1,220
Dr. Huang Xu *(Note (ii))*	—	658	41	13	712
Non-executive directors					
Ms. Li Yang *(Note (iv))*	—	—	—	—	—
Independent non-executive directors					
Ms. Xu Juanhong *(Note (v))*	58	—	—	—	58
Mr. Liu Feng *(Note (v))*	58	—	—	—	58
Dr. Zhang Yong *(Note (v))*	58	—	—	—	58
Supervisors					
Ms. Qu Wenting *(Note (vi))*	—	220	32	—	252
Ms. Zhang Lin *(Note (vi))*	—	316	41	—	357
Ms. Yu Yangyang *(Note (vi))*	—	150	22	—	172
	174	3,658	408	13	4,253
Seven months ended July 31, 2026					
Executive directors					
Mr. Chen Yiding *(Note (i))*	—	1,385	157	—	1,542
Mr. Miao Jingyun	—	1,183	106	—	1,289
Ms. Qu Wenting *(Note (vi))*	—	252	36	—	288
Non-executive directors					
Ms. Li Yang *(Note (iv))*	—	—	—	—	—
Independent non-executive directors					
Ms. Xu Juanhong *(Note (v))*	54	—	—	—	54
Mr. Liu Feng *(Note (v))*	54	—	—	—	54
Dr. Zhang Yong *(Note (v))*	54	—	—	—	54
Ms. Zhao Peiyi *(Note (vii))*	4	—	—	—	4
Mr. Cui Yuxuan *(Note (vii))*	4	—	—	—	4
Ms. Wu Fengting *(Note (vii))*	4	—	—	—	4
	174	2,820	299	—	3,293

Notes:

(i) Mr. Chen Yiding is the Chairman of the board of directors.

(ii) Dr. Huang Xu was appointed as an executive director of the Company on August 2, 2023 and resigned from the position of executive director of the Company on September 16, 2025, due to internal work adjustments of the Company.

(iii) Mr. Qin Yangwen resigned as an executive director of the Company on August 2, 2023 due to the expiration of his term of office. He is dispatched by one of the shareholders of the Company (Nanjing Gaoke Xinjun Growth Phase I Equity Investment Partnership (Limited Partnership)), and did not receive any remuneration from the Company in relation to his services rendered for the Company. His remuneration were borne by Nanjing Gaoke Xinjun Growth Phase I Equity Investment Partnership (Limited Partnership). The management of the Company considers there is no reasonable basis for such allocation of his remuneration between the Company and Nanjing Gaoke Xinjun Growth Phase I Equity Investment Partnership (Limited Partnership).

(iv) Ms. Li Yang resigned as the chairman of the supervisory board of the Company on August 2, 2023 due to the expiration of her term of office, and was concurrently appointed as a non-executive director of the Company. She is dispatched by one of the shareholders of the Company (Zhejiang Puhuatianqin Equity Investment Management Limited Corporation), and did not receive any remuneration from the Company in relation to her services rendered for the Company. Her remunerations were borne by Zhejiang Puhuatianqin Equity Investment Management Limited Corporation. The management of the Company considers there is no reasonable basis for such allocation of her remunerations between the Company and Zhejiang Puhuatianqin Equity Investment Management Limited Corporation.

(v) They were no longer independent non-executive directors since July 16, 2026, as their terms of office expired on that date.

(vi) They were no longer supervisors since September 16, 2025, as the Company dissolved its supervisory board. Ms. Qu Wenting was appointed as an executive director of the Company on September 16, 2025.

(vii) They were appointed as independent non-executive directors of the Company on July 16, 2026.

Fees, salaries, allowances and benefits in kind paid to or for the executive directors, independent non-executive directors of the Company and supervisors are generally emoluments paid or receivable in respect of services in connection with the management of the affairs of the Company and its subsidiaries.

No emolument was paid by the Group to the directors of the Company and supervisors as an inducement to join or upon joining the Group or as compensation for loss of office for the Track Record Period.

The directors' and supervisors' emoluments represented the amounts paid or payable for their services rendered to the Group since their appointment as directors or supervisors. The emoluments paid to them for service rendered as management prior to their appointments as directors or supervisors are not included in the above tables.

(c) Five highest paid individuals

During the years ended December 31, 2023, 2024 and 2025 and the seven months ended July 31, 2025 and 2026, the five highest paid individuals included 0, 3, 2, 2 (unaudited) and 2 directors, respectively, whose emoluments are reflected in Note 10(b) above. The aggregate emoluments payable to the remaining 5, 2, 3, 3 (unaudited) and 3 individuals during the years ended December 31, 2023, 2024 and 2025 and the seven months ended July 31, 2025 and 2026 are as follows:

	Year ended December 31,			Seven months ended July 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Salaries, allowances, discretionary bonuses and benefits in kind	6,590	2,844	4,656	2,992	3,569
Retirement scheme contributions	651	342	449	395	463
Share-based payment expenses	(402)	152	166	34	257
	6,839	3,338	5,271	3,421	4,289

The discretionary bonus is determined by reference to individual performance of the employees and approved by the management of the Group. The emoluments of the remaining highest paid individuals fell within the following bands:

	Year ended December 31,			Seven months ended July 31,	
	2023	2024	2025	2025	2026
				(unaudited)	
HK$1,000,001–HK$1,500,000.	2	—	—	3	2
HK$1,500,001–HK$2,000,000.	3	2	3	—	1
	5	2	3	3	3

11. FINANCE COSTS

	Year ended December 31,			Seven months ended July 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Interest expense on borrowings	9	1,227	1,010	802	768
Less: interest capitalised	—	—	(108)	(2)	(518)
Net interest expense on borrowings	9	1,227	902	800	250
Interest expense on lease liabilities	2,686	2,316	1,787	1,146	759
	2,695	3,543	2,689	1,946	1,009

12. INCOME TAX EXPENSE

	Year ended December 31,			Seven months ended July 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Current income tax	26,268	17,271	21,313	5,083	24,876
Deferred income tax *(Note 28)*	(13,151)	(12,398)	(16,834)	(3,781)	(15,493)
Income tax expense	13,117	4,873	4,479	1,302	9,383

Taxes on profits assessable have been calculated at the rate of tax prevailing in the jurisdictions in which relevant entities operate.

(a) PRC Enterprise Income Tax ("EIT")

During the Track Record Period, pursuant to PRC Enterprise Income Tax Law and the respective regulations, the Company has obtained High and New Technology Enterprises certification ("**HNTE**") and the Company is entitled to a preferential corporate income tax rate of 15%

During the Track Record Period, certain subsidiaries of the Group have obtained HNTE and hence they are entitled to a preferential corporate income tax rate of 15% for a valid period of 3 years.

Pursuant to Caishui [2022] No. 13 "Announcement on Further Implementing the Income Tax Preferential Policies for Small and Micro-sized Enterprises" (關於進一步實施小微企業所得税優惠政策的公告), certain subsidiaries were qualified for small and micro-sized enterprises and entitled to a preferential income tax rate of 20% on the 25% of taxable income exceeding RMB1,000,000 but less than RMB3,000,000 from January 1, 2022 to December 31, 2024.

Pursuant to Caishui [2023] No. 6 "Announcement on the Income Tax Preferential Policies for Small and Micro-sized Enterprises and Individual Businesses" (關於小微企業和個體工商戶所得税優惠政策的公告), certain subsidiaries were qualified as small and micro-sized enterprises and entitled to a preferential income tax rate of 20% on the 25% of taxable income not exceeding RMB1,000,000 from January 1, 2023 to December 31, 2024.

Pursuant to Caishui [2023] No. 12 "Announcement on Further Implementing the Relevant Tax and Fee Policies for Small and Micro-sized Enterprises and Individual Businesses" (關於進一步支持小微企業和個體工商戶發展有關税費政策的公告), the preferential corporate income tax treatment for small and micro-sized enterprises — whereby 25% of their taxable income is calculated as the taxable base and subject to a tax rate of 20% has been extended to December 31, 2027.

(b) Hong Kong Profits Tax

For a subsidiary in Hong Kong, which is a qualifying corporation under the two-tiered profits tax rates regime, the first HK$2,000,000 of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

(c) Corporate income tax in other jurisdictions

Taxation for other overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

Reconciliation between the income tax expense and profit before income tax in the consolidated statements of comprehensive income is as follows:

	Year ended December 31,			Seven months ended July 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Profit before income tax	160,669	124,915	169,323	91,137	132,177
Tax at the preferential tax rate of 15%	24,100	18,737	25,398	13,671	19,827
Tax effect of					
— different tax rates of the subsidiaries	2,952	(3,794)	(1,644)	(1,637)	1,886
— non-deductible expenses	342	3,194	309	344	243
— utilization of tax losses not recognized in prior years	(352)	(50)	(805)	(1)	(150)
— unrecognized tax losses and temporary differences	1,695	8,809	1,098	912	689
— adjustments in respect of current tax of previous years	140	610	2,504	264	59
— additional deduction of research and development expenses *(Note)*	(17,425)	(23,226)	(21,982)	(12,673)	(13,158)
— others	1,665	593	(399)	422	(13)
Income tax expense	13,117	4,873	4,479	1,302	9,383

Note:

According to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC that have been effective from 2021 onwards, if the research and development expenses actually incurred by enterprises in carrying out research and development activities do not form intangible assets and are accounted for in the current period's profit or loss, on the basis of actual deduction according to regulations, enterprises are entitled to claim an additional deduction of 100% of the actual amount. For intangible assets formed, enterprises are entitled to 200% deduction of the amortization of intangible assets.

According to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC that have been effective from 2018 onwards, for equipment and appliances newly purchased by enterprises with a unit value not exceeding RMB5,000,000, are allowed to be deducted from the current cost expenses when calculating taxable income, and depreciation could not be calculated annually.

13. DIVIDENDS

	Year ended December 31,			Seven months ended July 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Dividends attributable to the year/period					
Total dividends	120,000	107,754	83,791	83,791	100,307

The total dividends of approximately RMB120,000,000 (RMB15 per 10 shares, tax inclusive), RMB107,754,000 (RMB9 per 10 shares, tax inclusive), RMB83,791,000 (RMB4 per 10 shares/RMB3 per 10 shares, tax inclusive) and RMB100,307,000 (RMB6 per 10 shares, tax inclusive) in respect of the years ended December 31, 2022, 2023, 2024 and 2025 were approved by the Annual General Meetings of the Company.

14. EPS ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) Basic EPS

Basic EPS is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the Track Record Period, excluding treasury shares held for share schemes as these shares are not considered outstanding for EPS calculation purposes.

In determining the weighted average number of ordinary shares in issue for the years ended December 31, 2023 and 2024, the shares issued by way of capitalization from reserves have been regarded as if these shares were in issue since January 1, 2023 (please refer to details in Note 34).

The following table illustrates the earnings and shares information used in the calculation of basic EPS:

	Year ended December 31,			Seven months ended July 31,	
	2023	2024	2025	2025	2026
				(unaudited)	
Profit attributable to owners of the Company used in calculating basic EPS *(RMB'000)*	153,593	123,832	165,568	90,054	122,794
Weighted average number of ordinary shares in issue *(thousand shares)*	167,984	167,611	167,423	167,586	167,249
Basic EPS *(RMB per share)*	0.91	0.74	0.99	0.54	0.73

(b) Diluted EPS

The Group had no potentially dilutive ordinary shares in issue for the year ended December 31, 2024. For the years ended December 31, 2023, 2025 and the seven months ended July 31, 2026 the share schemes granted by the Company have potential dilutive effect on the EPS. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from share schemes (collectively forming the denominator for computing the diluted EPS).

	Year ended December 31,			Seven months ended July 31,	
	2023	2024	2025	2025	2026
				(unaudited)	
Profit attributable to owners of the Company used in calculating basic EPS *(RMB'000)*	153,593	123,832	165,568	90,054	122,794
Weighted average number of ordinary shares in issue *(thousand shares)*	167,984	167,611	167,423	167,586	167,249
Adjustments for potential shares arising from share schemes *(thousand shares)*	11	—	43	—	64
Weighted average number of ordinary shares used in calculating diluted EPS *(thousand shares)*	167,995	167,611	167,466	167,586	167,313
Diluted EPS *(RMB per share)*	0.91	0.74	0.99	0.54	0.73

15. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Machinery and equipment	Electronic equipment	Transportation equipment	Office and other equipment	Construction in progress	Leasehold improvements and others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023								
Cost	—	93,530	5,851	2,507	5,630	16,046	58,509	182,073
Accumulated depreciation	—	(30,091)	(2,529)	(322)	(1,632)	—	(12,938)	(47,512)
Net carrying amount	—	63,439	3,322	2,185	3,998	16,046	45,571	134,561

	Buildings	Machinery and equipment	Electronic equipment	Transportation equipment	Office and other equipment	Construction in progress	Leasehold improvements and others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended December 31, 2023								
Opening net carrying amount	—	63,439	3,322	2,185	3,998	16,046	45,571	134,561
Additions	—	153	514	—	54	133,911	3,163	137,795
Asset acquisition *(Note 37)*	—	—	—	—	—	164,088	—	164,088
Disposals	—	(48)	(115)	—	—	—	—	(163)
Depreciation	—	(14,611)	(1,972)	(556)	(933)	—	(17,454)	(35,526)
Transfers	—	18,372	1,692	279	391	(40,071)	19,337	—
Exchange adjustments	—	57	21	—	70	—	—	148
Closing net carrying amount	—	67,362	3,462	1,908	3,580	273,974	50,617	400,903
As at December 31, 2023								
Cost	—	111,413	7,942	2,786	6,063	273,974	81,009	483,187
Accumulated depreciation	—	(44,051)	(4,480)	(878)	(2,483)	—	(30,392)	(82,284)
Net carrying amount	—	67,362	3,462	1,908	3,580	273,974	50,617	400,903
Year ended December 31, 2024								
Opening net carrying amount	—	67,362	3,462	1,908	3,580	273,974	50,617	400,903
Additions	—	2,038	244	—	—	129,488	1,661	133,431
Asset acquisition	—	95	—	—	429	—	6,794	7,318
Disposals	—	(5,023)	(14)	—	—	—	—	(5,037)
Depreciation	(4,326)	(19,297)	(2,090)	(565)	(1,167)	—	(19,022)	(46,467)
Transfers	265,900	80,288	14,964	95	2,239	(368,578)	3,896	(1,196)
Exchange adjustments	—	53	(8)	—	2	—	—	47
Closing net carrying amount	261,574	125,516	16,558	1,438	5,083	34,884	43,946	488,999
As at December 31, 2024								
Cost	265,900	187,115	22,881	2,881	8,880	34,884	93,360	615,901
Accumulated depreciation	(4,326)	(61,599)	(6,323)	(1,443)	(3,797)	—	(49,414)	(126,902)
Net carrying amount	261,574	125,516	16,558	1,438	5,083	34,884	43,946	488,999

	Buildings	Machinery and equipment	Electronic equipment	Transportation equipment	Office and other equipment	Construction in progress	Leasehold improvements and others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended December 31, 2025								
Opening net carrying amount	261,574	125,516	16,558	1,438	5,083	34,884	43,946	488,999
Additions	—	5,156	583	—	334	115,702	2,457	124,232
Disposals	—	(945)	(20)	—	(2)	—	—	(967)
Depreciation	(11,410)	(23,953)	(5,220)	(478)	(1,439)	—	(19,999)	(62,499)
Impairment *(Note (d))*	—	—	—	—	—	—	(3,963)	(3,963)
Transfers	1,975	26,915	632	176	21	(31,202)	1,483	—
Exchange adjustments	—	(102)	19	—	2	—	—	(81)
Others	(16,423)	—	—	—	—	—	(25)	(16,448)
Closing net carrying amount	235,716	132,587	12,552	1,136	3,999	119,384	23,899	529,273
As at December 31, 2025								
Cost	251,452	216,166	24,010	3,057	9,170	119,384	97,275	720,514
Accumulated depreciation	(15,736)	(83,579)	(11,458)	(1,921)	(5,171)	—	(69,413)	(187,278)
Accumulated impairment	—	—	—	—	—	—	(3,963)	(3,963)
Net carrying amount	235,716	132,587	12,552	1,136	3,999	119,384	23,899	529,273
Seven months ended July 31, 2026								
Opening net carrying amount	235,716	132,587	12,552	1,136	3,999	119,384	23,899	529,273
Additions	—	2,217	874	—	369	148,505	685	152,650
Disposals	—	(786)	(11)	—	(210)	—	—	(1,007)
Depreciation	(5,588)	(16,735)	(3,414)	(262)	(842)	—	(7,982)	(34,823)
Transfers	13,816	37,337	587	—	119	(52,953)	—	(1,094)
Exchange adjustments	—	(162)	(48)	—	(16)	—	(44)	(270)
Closing net carrying amount	243,944	154,458	10,540	874	3,419	214,936	16,558	644,729
As at July 31, 2026								
Cost	265,268	254,192	25,311	3,057	9,047	214,936	97,916	869,727
Accumulated depreciation	(21,324)	(99,734)	(14,771)	(2,183)	(5,628)	—	(77,395)	(221,035)
Accumulated impairment	—	—	—	—	—	—	(3,963)	(3,963)
Net carrying amount	243,944	154,458	10,540	874	3,419	214,936	16,558	644,729

Notes:

(a) For the year ended December 31, 2023, the depreciation of property, plant and equipment recognized in cost of sales, research and development expenses, general and administrative expenses and selling expenses are approximately RMB12,547,000, RMB12,618,000, RMB4,430,000 and RMB5,931,000, respectively.

(b) For the year ended December 31, 2024, the depreciation of property, plant and equipment recognized in cost of sales, research and development expenses, general and administrative expenses and selling expenses are approximately RMB17,950,000, RMB15,456,000, RMB7,512,000 and RMB5,549,000, respectively.

(c) For the year ended December 31, 2025, the depreciation of property, plant and equipment recognized in cost of sales, research and development expenses, general and administrative expenses and selling expenses are approximately RMB28,759,000, RMB15,392,000, RMB13,206,000 and RMB5,142,000, respectively.

(d) For the seven months ended July 31, 2026, the depreciation of property, plant and equipment recognized in cost of sales, research and development expenses, general and administrative expenses and selling expenses are approximately RMB11,135,000, RMB11,161,000, RMB9,386,000 and RMB3,141,000, respectively.

(e) For the seven months ended July 31, 2025, the depreciation of property, plant and equipment recognized in cost of sales, research and development expenses, general and administrative expenses and selling expenses are approximately RMB16,813,000 (unaudited), RMB9,179,000 (unaudited), RMB7,603,000 (unaudited) and RMB2,857,000 (unaudited), respectively.

(f) For the year ended December 31, 2025, the Group terminated the lease of certain office premises, resulting in the related leasehold improvements unusable. The recoverable amount was assessed to be nil based on fair value less costs of disposal, and an impairment loss of RMB3,963,000 was recognized.

The Company

	Machinery and equipment	Electronic equipment	Transportation equipment	Office and other equipment	Construction in progress	Leasehold improvements and others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023							
Cost	79,392	5,338	2,507	5,268	12,992	50,487	155,984
Accumulated depreciation	(28,190)	(2,368)	(322)	(1,411)	—	(11,010)	(43,301)
Net carrying amount	51,202	2,970	2,185	3,857	12,992	39,477	112,683
Year ended December 31, 2023							
Opening net carrying amount	51,202	2,970	2,185	3,857	12,992	39,477	112,683
Additions	69	12	—	—	28,195	3,089	31,365
Disposals	(25)	—	—	—	—	—	(25)
Depreciation	(12,750)	(1,728)	(556)	(834)	—	(14,904)	(30,772)
Transfers	17,151	1,321	279	70	(37,500)	18,679	—
Closing net carrying amount	55,647	2,575	1,908	3,093	3,687	46,341	113,251
As at December 31, 2023							
Cost	96,415	6,671	2,786	5,338	3,687	72,255	187,152
Accumulated depreciation	(40,768)	(4,096)	(878)	(2,245)	—	(25,914)	(73,901)
Net carrying amount	55,647	2,575	1,908	3,093	3,687	46,341	113,251
Year ended December 31, 2024							
Opening net carrying amount	55,647	2,575	1,908	3,093	3,687	46,341	113,251
Additions	20	—	—	—	36,736	561	37,317
Disposals	(4)	(13)	—	—	—	—	(17)
Depreciation	(13,980)	(1,629)	(556)	(844)	—	(15,531)	(32,540)
Transfers	16,147	509	—	154	(21,902)	3,896	(1,196)
Closing net carrying amount	57,830	1,442	1,352	2,403	18,521	35,267	116,815

	Machinery and equipment	Electronic equipment	Transportation equipment	Office and other equipment	Construction in progress	Leasehold improvements and others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2024							
Cost	112,414	6,920	2,786	5,492	18,521	76,712	222,845
Accumulated depreciation	(54,584)	(5,478)	(1,434)	(3,089)	—	(41,445)	(106,030)
Net carrying amount	57,830	1,442	1,352	2,403	18,521	35,267	116,815
Year ended December 31, 2025							
Opening net carrying amount	57,830	1,442	1,352	2,403	18,521	35,267	116,815
Additions	—	13	—	—	110,345	2,005	112,363
Disposals	(86)	—	—	(2)	—	—	(88)
Depreciation	(15,410)	(1,201)	(441)	(780)	—	(15,797)	(33,629)
Transfers	16,664	540	—	—	(17,901)	697	—
Closing net carrying amount	58,998	794	911	1,621	110,965	22,172	195,461
As at December 31, 2025							
Cost	128,038	7,473	2,786	5,442	110,965	79,414	334,118
Accumulated depreciation	(69,040)	(6,679)	(1,875)	(3,821)	—	(57,242)	(138,657)
Net carrying amount	58,998	794	911	1,621	110,965	22,172	195,461
Seven months ended July 31, 2026							
Opening net carrying amount	58,998	794	911	1,621	110,965	22,172	195,461
Additions	199	—	—	—	131,053	—	131,252
Disposals	(724)	—	—	—	—	—	(724)
Depreciation	(10,047)	(330)	(224)	(444)	—	(7,415)	(18,460)
Transfers	35,691	587	—	87	(37,459)	—	(1,094)
Closing net carrying amount	84,117	1,051	687	1,264	204,559	14,757	306,435
As at July 31, 2026							
Cost	162,842	8,060	2,786	5,529	204,559	79,414	463,190
Accumulated depreciation	(78,725)	(7,009)	(2,099)	(4,265)	—	(64,657)	(156,755)
Net carrying amount	84,117	1,051	687	1,264	204,559	14,757	306,435

16. LEASES

The Group as a lessee

(a) Right-of-use assets

The movements in the net carrying amount of right-of-use assets are analyzed as follows:

	Building	Land use rights	Total
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2023	67,580	—	67,580
Additions	16,603	—	16,603
Asset acquisition *(Note 37)*	—	26,456	26,456
Depreciation	(21,012)	(730)	(21,742)
Disposals	(576)	—	(576)
Exchange adjustments	26	—	26
As at December 31, 2023	62,621	25,726	88,347
As at January 1, 2024	62,621	25,726	88,347
Additions	18,703	—	18,703
Depreciation	(23,852)	(976)	(24,828)
Disposals	(341)	—	(341)
Exchange adjustments	9	—	9
As at December 31, 2024	57,140	24,750	81,890
As at January 1, 2025	57,140	24,750	81,890
Additions	3,209	—	3,209
Depreciation	(23,505)	(974)	(24,479)
Disposals	(3,247)	—	(3,247)
Exchange adjustments	(26)	—	(26)
As at December 31, 2025	33,571	23,776	57,347
As at January 1, 2026	33,571	23,776	57,347
Additions	7,756	—	7,756
Depreciation	(13,754)	(568)	(14,322)
Exchange adjustments	(48)	—	(48)
As at July 31, 2026	27,525	23,208	50,733

Notes:

(i) For the year ended December 31, 2023, the depreciation of right-of-use assets recognized in cost of sales, research and development expenses, general and administrative expenses, selling expenses and construction in progress are approximately RMB7,078,000, RMB6,740,000, RMB3,936,000, RMB3,196,000 and RMB792,000, respectively.

(ii) For the year ended December 31, 2024, the depreciation of right-of-use assets recognized in cost of sales, research and development expenses, general and administrative expenses, selling expenses and construction in progress are approximately RMB6,618,000, RMB7,707,000, RMB5,144,000, RMB3,513,000 and RMB1,846,000, respectively.

(iii) For the year ended December 31, 2025, the depreciation of right-of-use assets recognized in cost of sales, research and development expenses, general and administrative expenses, selling expenses and construction in progress are approximately RMB6,056,000, RMB8,511,000, RMB4,337,000, RMB3,870,000 and RMB1,705,000 respectively.

(iv) For the seven months ended July 31, 2026, the depreciation of right-of-use assets recognized in cost of sales, research and development expenses, general and administrative expenses, selling expenses and construction in progress are approximately RMB3,340,000, RMB4,338,000, RMB2,979,000, RMB2,598,000 and RMB1,067,000 respectively.

(v) For the seven months ended July 31, 2025, the depreciation of right-of-use assets recognized in cost of sales, research and development expenses, general and administrative expenses, selling expenses and construction in progress are approximately RMB3,592,000 (unaudited), RMB4,962,000 (unaudited), RMB2,581,000 (unaudited), RMB2,127,000 (unaudited) and RMB990,000 (unaudited) respectively.

(b) Lease liabilities

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total minimum lease payments	62,422	55,133	32,209	27,560
Future interest expense on lease liabilities	(3,819)	(2,661)	(1,110)	(598)
	58,603	52,472	31,099	26,962
Current	20,101	27,581	18,597	21,716
Non-current	38,502	24,891	12,502	5,246
	58,603	52,472	31,099	26,962

The maturity analysis of lease liabilities is disclosed in Note 45 to the Historical Financial Information.

(c) The amounts recognized in the consolidated statements of comprehensive income in relation to leases are as follows:

	Year ended December 31,			Seven months ended July 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Interest on lease liabilities	2,686	2,316	1,787	1,146	759
Depreciation of right-of-use assets	20,950	22,982	22,774	13,262	13,255
Expense relating to short-term leases and leases of low-value assets	1,836	3,274	4,680	2,388	2,791
	25,472	28,572	29,241	16,796	16,805

The Company as a lessee

(a) Right-of-use assets

The movements in the net carrying amount of right-of-use assets are analyzed as follows:

	Building
	RMB'000
As at January 1, 2023	60,100
Additions	15,579
Depreciation	(18,021)
Disposals	(576)
As at December 31, 2023	57,082
As at January 1, 2024	57,082
Additions	13,219
Depreciation	(20,010)
As at December 31, 2024	50,291
As at January 1, 2025	50,291
Additions	1,162
Depreciation	(19,978)
As at December 31, 2025	31,475
As at January 1, 2026	31,475
Additions	4,911
Depreciation	(11,934)
As at July 31, 2026	24,452

(b) Lease liabilities

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total minimum lease payments	56,380	48,692	30,272	24,313
Future interest expense on lease liabilities	(3,561)	(2,407)	(1,034)	(541)
	52,819	46,285	29,238	23,772
Current	17,064	23,134	17,557	18,816
Non-current	35,755	23,151	11,681	4,956
	52,819	46,285	29,238	23,772

The Group and The Company as a lessor

No significant properties were rent out by the Group and the Company during the Track Record Period.

17. INTANGIBLE ASSETS

The Group

	Patent rights and non-patented technologies	Software	Total
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2023			
Cost	2,001	11,563	13,564
Accumulated amortization	(467)	(1,332)	(1,799)
Net carrying amount	1,534	10,231	11,765
Year ended December 31, 2023			
Opening net carrying amount	1,534	10,231	11,765
Additions	450	1,903	2,353
Amortization	(400)	(2,602)	(3,002)
Closing net carrying amount	1,584	9,532	11,116
As at December 31, 2023			
Cost	2,451	13,466	15,917
Accumulated amortization	(867)	(3,934)	(4,801)
Net carrying amount	1,584	9,532	11,116
Year ended December 31, 2024			
Opening net carrying amount	1,584	9,532	11,116
Additions	898	2,042	2,940
Disposals	—	(64)	(64)
Amortization	(523)	(2,304)	(2,827)
Transfers	—	1,196	1,196
Closing net carrying amount	1,959	10,402	12,361
As at December 31, 2024			
Cost	3,349	14,679	18,028
Accumulated amortization	(1,390)	(4,277)	(5,667)
Net carrying amount	1,959	10,402	12,361
Year ended December 31, 2025			
Opening net carrying amount	1,959	10,402	12,361
Additions	—	1,179	1,179
Amortization	(580)	(2,285)	(2,865)
Closing net carrying amount	1,379	9,296	10,675
As at December 31, 2025			
Cost	3,349	15,858	19,207
Accumulated amortization	(1,970)	(6,562)	(8,532)
Net carrying amount	1,379	9,296	10,675

	Patent rights and non-patented technologies	Software	Total
	RMB'000	*RMB'000*	*RMB'000*
Seven months ended July 31, 2026			
Opening net carrying amount	1,379	9,296	10,675
Additions	—	110	110
Amortization	(338)	(1,417)	(1,755)
Transfers	—	1,094	1,094
Closing net carrying amount	1,041	9,083	10,124
As at July 31, 2026			
Cost	3,349	17,062	20,411
Accumulated amortization	(2,308)	(7,979)	(10,287)
Net carrying amount	1,041	9,083	10,124

Notes:

(a) For the year ended December 31, 2023, the amortization of intangible assets recognized in cost of sales, selling expenses, research and development expenses and general and administrative expenses are approximately RMB230,000, RMB1,063,000, RMB781,000 and RMB928,000, respectively.

(b) For the year ended December 31, 2024, the amortization of intangible assets recognized in cost of sales, selling expenses, research and development expenses and general and administrative expenses are approximately RMB376,000, RMB929,000, RMB997,000 and RMB525,000, respectively.

(c) For the year ended December 31, 2025, the amortization of intangible assets recognized in cost of sales, selling expenses, research and development expenses and general and administrative expenses are approximately RMB407,000, RMB609,000, RMB133,000 and RMB1,716,000, respectively.

(d) For the seven months ended July 31, 2026, the amortization of intangible assets recognized in cost of sales, selling expenses, research and development expenses and general and administrative expenses are approximately RMB146,000, RMB410,000, RMB86,000 and RMB1,113,000, respectively.

(e) For the seven months ended July 31, 2025, the amortization of intangible assets recognized in cost of sales, selling expenses, research and development expenses and general and administrative expenses are approximately RMB243,000 (unaudited), RMB355,000 (unaudited), RMB36,000 (unaudited) and RMB1,076,000 (unaudited), respectively.

The Company

	Patent rights and non-patented technologies	Software	Total
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2023			
Cost	2,001	11,563	13,564
Accumulated amortization	(467)	(1,332)	(1,799)
Net carrying amount	1,534	10,231	11,765
Year ended December 31, 2023			
Opening net carrying amount	1,534	10,231	11,765
Additions	450	1,903	2,353
Amortization	(400)	(2,602)	(3,002)
Closing net carrying amount	1,584	9,532	11,116

	Patent rights and non-patented technologies	Software	Total
	RMB'000	*RMB'000*	*RMB'000*
As at December 31, 2023			
Cost	2,451	13,466	15,917
Accumulated amortization	(867)	(3,934)	(4,801)
Net carrying amount	1,584	9,532	11,116
Year ended December 31, 2024			
Opening net carrying amount	1,584	9,532	11,116
Additions	898	398	1,296
Disposals	—	(64)	(64)
Amortization	(523)	(2,055)	(2,578)
Transfers	—	1,196	1,196
Closing net carrying amount	1,959	9,007	10,966
As at December 31, 2024			
Cost	3,349	13,034	16,383
Accumulated amortization	(1,390)	(4,027)	(5,417)
Net carrying amount	1,959	9,007	10,966
Year ended December 31, 2025			
Opening net carrying amount	1,959	9,007	10,966
Additions	—	248	248
Amortization	(580)	(1,839)	(2,419)
Closing net carrying amount	1,379	7,416	8,795
As at December 31, 2025			
Cost	3,349	13,282	16,631
Accumulated amortization	(1,970)	(5,866)	(7,836)
Net carrying amount	1,379	7,416	8,795
Seven months ended July 31, 2026			
Opening net carrying amount	1,379	7,416	8,795
Additions	—	110	110
Amortization	(338)	(1,122)	(1,460)
Transfers	—	1,094	1,094
Closing net carrying amount	1,041	7,498	8,539
As at July 31, 2026			
Cost	3,349	14,486	17,835
Accumulated amortization	(2,308)	(6,988)	(9,296)
Net carrying amount	1,041	7,498	8,539

18. INVESTMENTS IN ASSOCIATES

The Group

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Unlisted investments	12,104	12,999	16,435	18,974
At the beginning of the year/period	11,920	12,104	12,999	16,435
Share of results, net	66	782	3,666	2,962
Exchange adjustments	118	113	(230)	(423)
At the end of the year/period	12,104	12,999	16,435	18,974

The Company

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Unlisted investments	5,085	5,095	5,097	5,073
At the beginning of the year/period	4,910	5,085	5,095	5,097
Share of results, net	175	10	2	(24)
At the end of the year/period	5,085	5,095	5,097	5,073

Notes:

(a) In the opinion of the directors of the Company, these investments in associates are immaterial to the Group, both individually and in aggregate.

(b) There were no material contingent liabilities relating to the Group's and the Company's investments in associates.

19. FINANCIAL ASSETS AT FVTPL

The Group

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
— Bank wealth management products (WMPs) and structured deposits *(Note (a))*	11	11	132,084	86,890
— Financial investment products *(Note (b))*	—	—	266,702	484,530
— Derivative financial instruments *(Note (c))*	2,375	—	—	—
	2,386	11	398,786	571,420
Non-current				
— Unlisted equity instruments	—	—	—	679

The Company

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
— Bank wealth management products (WMPs) and structured deposits *(Note (a))*	11	11	132,084	86,890
— Financial investment products *(Note (b))*	—	—	173,836	484,530
— Derivative financial instruments *(Note (c))*	2,375	—	—	—
	2,386	11	305,920	571,420

Notes:

(a) The bank WMPs and structured deposits are mainly managed by reputable banks in the PRC to invest principally in certain financial assets. They are classified as financial assets at FVTPL as their contractual cash flows are not solely payments of principal and interest. The bank WMPs and structured deposits are classified as current assets as they are short-term products with maturity of twelve months.

(b) As at December 31, 2025 and July 31, 2026, the financial investment products of the Group mainly included medium-term notes, assembled funds trust plans and unlisted fund investments, the financial investment products of the Company mainly included assembled funds trust plans and unlisted fund investments.

They are redeemable at the option of the Group on designated open dates and therefore classified as debt investments. The financial investment products are classified as financial assets at FVTPL as their contractual cash flows are not solely payments of principal and interest and the Group expects to realize these financial assets within twelve months after each reporting period.

(c) Derivative financial instruments are forward foreign exchange settlement and sale as well as foreign exchange options. In respect of foreign exchange risk management, the Group conducts forward foreign exchange settlement and sale as well as foreign exchange option business in accordance with the prudent principle. It does not engage in foreign exchange

transactions for speculative or profit-seeking purposes. All such business is based on normal production and operations, with the purpose of avoiding and mitigating foreign exchange rate risks. They are classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

20. FINANCIAL ASSETS AT FVTOCI

The Group

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
— Notes receivables measured at FVTOCI	—	22	—	—
Non-current				
— Unlisted equity investments *(Note)*	16,771	16,897	5,201	3,597

The Company

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
— Notes receivables measured at FVTOCI	—	22	—	—
Non-current				
— Unlisted equity investments *(Note)*	15,000	15,000	1,544	—

Note:

These investments are not held for trading purposes but are held for long-term strategic purposes. The management of the Company has elected to designate these investments as FVTOCI as it believes that recognizing short-term fair value fluctuations of these investments in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realizing their long-term value potential.

The following table sets out the information about the fair value of each unlisted equity investments measured at FVTOCI as at December 31, 2023, 2024 and 2025 and July 31, 2026:

The Group

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Unlisted equity investments				
— Shanghai Biaodu Bio-Tech Co., Ltd.	15,000	15,000	1,544	—
— DIAGNOSTIC BIOCHIPS, INC.	1,771	1,797	1,757	1,697
— Kentes (Hangzhou) Venture Capital Management Co., Ltd.	—	100	1,900	1,900
	16,771	16,897	5,201	3,597

The Company

	As at December 31,			As at July 31
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Unlisted equity investments				
— Shanghai Biaodu Bio-Tech Co., Ltd.	15,000	15,000	1,544	—

21. OTHER FINANCIAL ASSETS

The Group and The Company

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
— Transferable large denomination certificates of deposits *(Note)*	1,363,891	1,012,194	107,011	30,657
Non-current				
— Transferable large denomination certificates of deposits *(Note)*	—	—	356,404	517,547

Note:

The transferable large denomination certificates of deposits are mainly managed by reputable banks in the PRC with fixed yields.

22. INVENTORIES

The Group

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	14,362	25,535	30,095	27,881
Work-in-progress	111,283	148,392	193,026	196,614
Finished goods	76,717	112,669	162,780	187,663
	202,362	286,596	385,901	412,158
Less: provision for impairment *(Note)*	(65,644)	(89,464)	(122,160)	(155,495)
	136,718	197,132	263,741	256,663

The Company

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	12,668	16,200	21,388	18,087
Work-in-progress	111,169	123,615	151,682	150,819
Finished goods	60,587	80,255	96,018	114,050
	184,424	220,070	269,088	282,956
Less: provision for impairment *(Note)*	(60,121)	(77,390)	(101,988)	(117,833)
	124,303	142,680	167,100	165,123

Note:

Inventories are stated at the lower of cost and net realizable value at the end of each reporting period. The net realizable value is the estimated selling price in the current course of business, less applicable costs, selling expenses and tax charges. Management of the Group and the Company makes the best estimate on the net realizable value and the corresponding impairment of inventory, while the impairment assessment may still be significantly changed due to the change of market conditions.

23. TRADE AND NOTES RECEIVABLES

The Group

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	78,240	105,767	142,925	183,387
Notes receivables	—	605	241	1,545
	78,240	106,372	143,166	184,932
Less: allowance for impairment	(3,948)	(5,461)	(7,592)	(10,184)
	74,292	100,911	135,574	174,748

The credit period granted to customers is generally within 30-90 days during the Track Record Period.

The Company

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables				
— Due from subsidiaries	378,920	440,921	427,798	414,225
— Due from other parties	34,268	48,204	71,613	94,015
Notes receivables	—	241	—	800
	413,188	489,366	499,411	509,040
Less: allowance for impairment	(1,721)	(2,499)	(3,832)	(5,284)
	411,467	486,867	495,579	503,756

The credit period granted to other parties is generally within 30-90 days during the Track Record Period.

The ageing analysis of trade receivables based on recognition date is as follows:

The Group

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	77,904	103,936	141,269	180,544
Over 1 year but within 2 years	271	1,710	872	1,584
Over 2 years but within 3 years	55	84	663	534
Over 3 years	10	37	121	725
	78,240	105,767	142,925	183,387

The Company

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	413,115	487,618	498,543	506,980
Over 1 year but within 2 years	53	1,501	399	705
Over 2 years but within 3 years	20	6	463	120
Over 3 years	—	—	6	435
	413,188	489,125	499,411	508,240

Movements in impairment of trade and notes receivables are as follows:

The Group

	Year ended December 31,			Seven months ended July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period	3,272	3,948	5,461	7,592
Impairment recognized, net *(Note)*	683	1,504	2,131	2,602
Written off	(7)	(4)	—	(10)
Asset acquisition	—	13	—	—
At the end of the year/period	3,948	5,461	7,592	10,184

Note:

Detail information about the impairment of trade and notes receivables and the Group's exposure to credit risk is described in Note 45.

The Company

	Year ended December 31,			Seven months ended July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period	1,389	1,721	2,499	3,832
Impairment recognized, net	332	782	1,333	1,452
Written off	—	(4)	—	—
At the end of the year/period	1,721	2,499	3,832	5,284

24. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current				
Prepayments for acquisition of property, plant and equipment	4,157	64	58,574	28,060
Current				
Other receivables	5,852	6,783	7,527	8,337
Less: allowance for impairment *(Note (b))*	(2,209)	(3,430)	(5,395)	(5,468)
	3,643	3,353	2,132	2,869
VAT recoverable *(Note (a))*	20,031	36,921	13,366	17,476
Prepaid expenses	5,099	8,836	14,015	14,238
Prepayments for materials	315	465	1,925	1,364
[REDACTED]	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
	29,088	49,575	38,686	54,091

Notes:

(a) Input VAT on purchases can be deducted from output VAT payable. The VAT recoverable is the net difference between output and deductible input VAT. The applicable VAT tax rate of the Group is 13%, 6% and 3%.

(b) The information about the credit risk exposure on the Group's other receivables is disclosed in Note 45.

The Company

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current				
Prepayments for acquisition of property, plant and equipment	132	64	58,479	12,061
Current				
Other receivables				
— Due from subsidiaries	3,242	4,258	2,494	6,951
— Due from other parties	5,152	5,398	5,084	5,505
	8,394	9,656	7,578	12,456
Less: allowance for impairment	(2,156)	(3,275)	(4,883)	(4,953)
	6,238	6,381	2,695	7,503
VAT recoverable	—	2,398	1,547	2,764
Prepaid expenses	4,427	7,735	10,779	10,427
Prepayments for materials	100	227	1,129	1,128
[REDACTED]	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Dividend receivables	—	—	—	6,818
	10,765	16,741	23,398	46,784

The movements on the ECL allowance of other receivables are as follows:

The Group

	Stage 1	Stage 3	Total
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2023	1,181	—	1,181
Provision	1,028	—	1,028
As at December 31, 2023	2,209	—	2,209
As at January 1, 2024	2,209	—	2,209
Provision	667	—	667
Asset acquisition	554	—	554
As at December 31, 2024	3,430	—	3,430
As at January 1, 2025	3,430	—	3,430
Provision	1,945	20	1,965
As at December 31, 2025	5,375	20	5,395
As at January 1, 2026	5,375	20	5,395
Provision	73	—	73
As at July 31, 2026	5,448	20	5,468

The Company

The balances of other receivables are classified as Stage 1 without any significant increase in credit risk tracked since initial recognition.

	Year ended December 31,			Seven months ended July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period	1,152	2,156	3,275	4,883
Provision	1,004	1,119	1,608	70
At the end of the year/period	2,156	3,275	4,883	4,953

25. RESTRICTED BANK DEPOSITS

The Group

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Pledged cash balances for bank acceptance notes	37,420	2,600	274	3,056
Pledged cash balances for bank supervised accounts	23	88,242	—	—
Pledged cash balances for other purposes *(Note)*	5,311	5,392	—	—
	42,754	96,234	274	3,056

Note:

Pledged cash balances for other purposes mainly included credit card deposits.

The Company

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Pledged cash balances for bank acceptance notes	—	2,271	—	—
Pledged cash balances for bank supervised accounts	23	88,242	—	—
	23	90,513	—	—

26. TIME DEPOSITS

The Group

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
Time deposits	230,194	284,376	527,905	216,662
Non-current				
Time deposits	30,803	32,068	101,154	102,441

Denominated in:

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	30,803	32,068	134,266	102,441
United States dollars ("**USD**")	230,186	284,368	494,784	216,654
European dollars ("**EUR**")	8	8	9	8
	260,997	316,444	629,059	319,103

The Company

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
Time deposits	137,574	266,358	469,732	88,069
Non-current				
Time deposits	30,803	32,068	101,154	102,441

Denominated in:

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	30,803	32,068	134,266	102,441
USD	137,574	266,358	436,620	88,069
	168,377	298,426	570,886	190,510

27. CASH AND CASH EQUIVALENTS

The Group

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank deposits	316,499	463,230	311,639	324,264

Denominated in:

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	186,914	114,486	102,119	174,071
USD	121,049	295,915	152,509	82,342
EUR	3,089	20,663	20,815	20,906
Others	5,447	32,166	36,196	46,945
	316,499	463,230	311,639	324,264

RMB is not freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business. Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

The Company

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank deposits	194,887	250,656	211,240	188,714

Denominated in:

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	142,074	98,346	91,989	148,209
USD	52,813	152,310	119,251	40,505
	194,887	250,656	211,240	188,714

28. DEFERRED INCOME TAX

The Group

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to the same tax authority.

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Gross deferred tax assets	69,791	81,478	98,239	116,285
Offsetting against deferred tax liabilities	(16,686)	(15,840)	(13,884)	(16,205)
Net deferred tax assets	53,105	65,638	84,355	100,080
Gross deferred tax liabilities	16,686	15,975	13,884	16,205
Offsetting against deferred tax assets	(16,686)	(15,840)	(13,884)	(16,205)
Net deferred tax liabilities	—	135	—	—

(a) Deferred tax assets

The movement in deferred tax assets during the Track Record Period, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Impairment provision	Tax losses	Unrealized profit on intra-group transactions	Lease liability	Deferred income	Changes in fair value	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	9,077	3,635	30,652	10,862	615	—	440	55,281
Recognized/(reversed) in profit or loss	909	8,261	8,001	(2,031)	(370)	—	(260)	14,510
As at December 31, 2023 and January 1, 2024	9,986	11,896	38,653	8,831	245	—	180	69,791
Recognized/(reversed) in profit or loss	1,304	2,393	9,191	(817)	(245)	—	(139)	11,687
As at December 31, 2024 and January 1, 2025	11,290	14,289	47,844	8,014	—	—	41	81,478
Recognized/(reversed) in profit or loss	2,793	6,057	(6,465)	(3,265)	13,539	—	2,084	14,743
Recognized in other comprehensive income	—	—	—	—	—	2,018	—	2,018
As at December 31, 2025 and January 1, 2026	14,083	20,346	41,379	4,749	13,539	2,018	2,125	98,239
Recognized/(reversed) in profit or loss	2,162	5,106	1,962	(645)	7,325	—	1,904	17,814
Recognized in other comprehensive income	—	—	—	—	—	232	—	232
As at July 31, 2026	16,245	25,452	43,341	4,104	20,864	2,250	4,029	116,285

(b) Deferred tax liabilities

The movement in deferred tax liabilities during the Track Record Period, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Depreciation of property, plant and equipment	Right-of-use assets	Changes in fair value	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	5,083	10,244	—	15,327
Recognized/(reversed) in profit or loss	2,181	(822)	—	1,359
As at December 31, 2023 and January 1, 2024	7,264	9,422	—	16,686
Reversed in profit or loss	(31)	(680)	—	(711)
As at December 31, 2024 and January 1, 2025	7,233	8,742	—	15,975
Recognized/(reversed) in profit or loss	903	(3,627)	633	(2,091)
As at December 31, 2025 and January 1, 2026	8,136	5,115	633	13,884
Recognized/(reversed) in profit or loss	3,243	(928)	6	2,321
As at July 31, 2026	11,379	4,187	639	16,205

(c) Tax losses and deductible temporary differences with deferred tax assets not recognized

The following table sets forth the tax losses and deductible temporary differences which were not recognized as deferred tax assets at the end of each year/period for the Track Record Period:

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deductible temporary differences	—	—	32	—
Tax losses	14,572	52,049	52,533	58,429
	14,572	52,049	52,565	58,429

The Group has unused tax losses of approximately RMB14,572,000, RMB52,049,000, RMB52,533,000 and RMB58,429,000 as at December 31, 2023, 2024 and 2025 and July 31, 2026, respectively, available for offset against future profits. The deferred tax asset has not been recognized for these tax losses due to the unpredictability of future profit streams. The tax losses can be carried forward as below:

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
2025	186	186	—	—
2026	488	488	488	488
2027	4,457	4,397	3,108	3,108
2028	9,441	9,227	9,221	9,204
2029	—	37,751	33,399	33,383
2030	—	—	6,317	5,580
2031	—	—	—	6,666
	14,572	52,049	52,533	58,429

The Company

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to the same tax authority.

	As at December 31			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Gross deferred tax assets	17,909	19,418	40,186	51,020
Offsetting against deferred tax liabilities	(14,994)	(14,658)	(12,992)	(15,217)
Net deferred tax assets	2,915	4,760	27,194	35,803
Gross deferred tax liabilities	14,994	14,658	12,992	15,217
Offsetting against deferred tax assets	(14,994)	(14,658)	(12,992)	(15,217)
Net deferred tax liabilities	—	—	—	—

(a) Deferred tax assets

The movement in deferred tax assets during the Track Record Period, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Impairment provision	Share-based payment	Deferred income	Lease liability	Changes in fair value	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	4,955	350	615	9,498	—	15,418
Recognized/(reversed) in profit or loss	4,645	(208)	(370)	(1,576)	—	2,491
As at December 31, 2023 and January 1, 2024	9,600	142	245	7,922	—	17,909
Recognized/(reversed) in profit or loss	2,875	(142)	(245)	(979)	—	1,509
As at December 31, 2024 and January 1, 2025	12,475	—	—	6,943	—	19,418
Recognized/(reversed) in profit or loss	6,093	1,675	13,539	(2,557)	—	18,750
Recognized in other comprehensive income	—	—	—	—	2,018	2,018
As at December 31, 2025 and January 1, 2026	18,568	1,675	13,539	4,386	2,018	40,186
Recognized/(reversed) in profit or loss	2,605	1,493	7,325	(821)	—	10,602
Recognized in other comprehensive income	—	—	—	—	232	232
As at July 31, 2026	21,173	3,168	20,864	3,565	2,250	51,020

(b) Deferred tax liabilities

The movement in deferred tax liabilities during the Track Record Period, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Depreciation of property, plant and equipment	Right-of-use assets	Changes in fair value	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	5,083	9,015	—	14,098
Recognized/(reversed) in profit or loss	1,349	(453)	—	896
As at December 31, 2023 and January 1, 2024	6,432	8,562	—	14,994
Recognized/(reversed) in profit or loss	682	(1,018)	—	(336)
As at December 31, 2024 and January 1, 2025	7,114	7,544	—	14,658
Recognized/(reversed) in profit or loss	524	(2,823)	633	(1,666)
As at December 31, 2025 and January 1, 2026	7,638	4,721	633	12,992
Recognized/(reversed) in profit or loss	3,272	(1,053)	6	2,225
As at July 31, 2026	10,910	3,668	639	15,217

29. TRADE AND NOTES PAYABLES

The Group

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	20,917	32,710	35,123	33,652
Notes payables	37,420	2,600	35,436	20,429
	58,337	35,310	70,559	54,081

Note:

The credit period granted by suppliers is generally within 0–360 days.

The ageing analysis of the trade payables of the Group as at December 31, 2023, 2024 and 2025 and July 31, 2026 based on recognition date is as follows:

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
— Within 1 year	18,940	29,983	33,572	29,910
— Over 1 year but within 2 years	1,954	2,095	1,534	3,723
— Over 2 years but within 3 years	—	617	2	2
— Over 3 years	23	15	15	17
	20,917	32,710	35,123	33,652

The Company

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables				
— Due to subsidiaries	4,532	7,339	29,049	40,062
— Due to other parties	18,925	27,901	27,131	21,999
Notes payables	—	2,271	35,162	17,374
	23,457	37,511	91,342	79,435

The ageing analysis of the trade payables of the Company as at December 31, 2023, 2024 and 2025 and July 31, 2026 based on recognition date is as follows:

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
— Within 1 year	21,507	32,543	53,477	58,529
— Over 1 year but within 2 years	1,935	2,065	2,686	3,513
— Over 2 years but within 3 years	—	617	2	2
— Over 3 years	15	15	15	17
	23,457	35,240	56,180	62,061

30. CONTRACT LIABILITIES

The Group

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Advance payments from customers	3,637	4,189	4,703	8,295

The Company

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Advance payments from customers				
— Due from other parties	1,329	1,427	1,290	2,004

Contract liabilities mainly arise from the advance payments from customers upon which the performance obligations have been established while the underlying services or goods are yet to be provided.

31. OTHER PAYABLES AND ACCRUALS

The Group

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
Payables for acquisition of property, plant and equipment	45,809	54,409	7,850	33,195
Payroll and welfare payables	35,188	49,880	60,517	50,805
Other tax payables	3,453	3,506	4,298	2,313
Accrued expenses	885	3,197	3,420	3,466
Deposits received	600	5,750	5,654	6,875
[REDACTED]	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Others	403	2,534	93	70
	86,338	119,276	88,137	99,760

The Company

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
Amounts due to subsidiaries	4,200	4,660	6,202	6,722
Payables for acquisition of property, plant and equipment	3,748	8,274	1,871	22,691
Payroll and welfare payables	27,592	38,724	43,209	36,816
Other tax payables	1,910	630	1,925	117
Accrued expenses	210	112	220	639
Deposits received	600	5,750	5,450	6,750
[REDACTED]	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Others	403	1,022	35	—
	38,663	59,172	65,217	76,771

32. BORROWINGS

The Group

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current				
Long-term bank borrowings — unsecured and unguaranteed	—	—	55,278	78,164
Current				
Short-term bank borrowings — unsecured and unguaranteed	6,009	88,233	26	159

As at December 31, 2023, 2024 and 2025 and July 31, 2026, the borrowings bear effective interest rates with range of 2.95%, 2.45–2.80%, 1.95%–2.34% and 1.95%–2.34% per annum, respectively.

The Company

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current				
Long-term bank borrowings — unsecured and unguaranteed	—	—	55,278	78,164
Current				
Short-term bank borrowings — unsecured and unguaranteed	6,009	79,437	26	159

During the Track Record Period, the Group and the Company did not violate any financial covenants under the agreements of borrowings. The Group's and the Company's borrowings were repayable as follows:

The Group

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Analyzed as:				
— Within 1 year	6,009	88,233	26	159
— Over 1 year but within 2 years	—	—	—	78,164
— Over 2 years but within 3 years	—	—	55,278	—
	6,009	88,233	55,304	78,323

The Company

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Analyzed as:				
— Within 1 year	6,009	79,437	26	159
— Over 1 year but within 2 years	—	—	—	78,164
— Over 2 years but within 3 years	—	—	55,278	—
	6,009	79,437	55,304	78,323

The Group's and the Company's borrowings are all denominated in RMB.

33. DEFERRED INCOME

The Group and the Company

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Government grants	1,631	—	90,260	139,091

The Group received government grants for research and development projects and talent subsidies. For the year ended December 31, 2023, the government grants were recorded as deferred income and credited to profit or loss according to the use progress of subsidies. As at December 31, 2025, for the newly received government grants of the Group that are used for the purchase of property, plant and equipment, the deferred income is amortized to profit or loss in parallel with the depreciation of the relevant assets. As at 31 July 2026, newly received government grants of the Group are related to property, plant and equipment and research and development projects. The corresponding deferred income is recognised in profit or loss when the relevant amortisation conditions are met.

34. SHARE CAPITAL AND TREASURY SHARES

The Group and the Company

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share capital	120,000	120,000	167,177	167,678
Treasury shares	(9,998)	(5,781)	—	—
	110,002	114,219	167,177	167,678

The changes in the Company's authorized, issued and fully paid share capital are as follows:

	Number of shares	Share capital
	'000	*RMB'000*
Ordinary shares of RMB1 each		
As at January 1, 2023	80,000	80,000
Conversion of share premium into share capital *(Note (a))*	40,000	40,000
As at December 31, 2023, January 1, 2024, December 31, 2024, January 1, 2025	120,000	120,000
Conversion of share premium into share capital *(Note (b))*	47,848	47,848
Cancellation of treasury shares	(671)	(671)
As at December 31, 2025 and January 1, 2026	167,177	167,177
Issue of shares under restricted stock incentive plans *(Note (c))*	501	501
As at July 31, 2026	167,678	167,678

Notes:

(a) On June 6, 2023, a bonus issue funded from share premium of 5 shares for every 10 existing shares was allotted, resulting in a total of 40,000,000 shares being issued.

(b) On July 10, 2025, a bonus issue funded from share premium of 4 shares for every 10 existing shares (excluding repurchased shares) was allotted, resulting in a total of 47,848,000 shares being issued.

(c) On July 13, 2026, 501,000 shares vested in respect of the first tranche of the 2025 restricted stock incentive plan were issued to the participants.

The detail of the treasury shares and number of treasury shares outstanding at the end of each year/period for the Track Record Period are as follows:

	Year ended December 31,			Seven months ended July 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
At the beginning of the year/period	—	9,998	5,781	5,781	—
Repurchase of shares *(Note (a))*	9,998	12,000	23,853	19,610	—
Vesting of shares under restricted stock incentive plans *(Note (b))*	—	(16,217)	—	—	—
Cancellation of treasury shares *(Note (c))*	—	—	(29,634)	—	—
At the end of the year/period	9,998	5,781	—	25,391	—
Number of treasury shares as at the end of year/period (in thousand)	162	191	—	591	—

Notes:

(a) During the year ended December 31, 2023, the Company paid RMB9,998,000 to repurchase 162,000 shares, using its own funds through the trading system of the Shenzhen Stock Exchange by way of centralized competitive trading.

During the year ended December 31, 2024, the Company paid RMB 12,000,000 to repurchase 245,000 shares, using its own funds through the trading system of the Shenzhen Stock Exchange by way of centralized competitive trading.

During the year ended December 31, 2025, the Company paid RMB23,853,000 to repurchase 480,000 shares, using its own funds through the trading system of the Shenzhen Stock Exchange by way of centralized competitive trading.

During the period ended July 31, 2025, the Company paid RMB19,610,000 (unaudited) to repurchase 400,000 (unaudited) shares, using its own funds through the trading system of the Shenzhen Stock Exchange by way of centralized competitive trading.

(b) During the year ended December 31, 2024, the decrease of RMB16,217,000 in treasury shares was due to the vesting of restricted shares of 216,000.

(c) During the year ended December 31, 2025, the Company completed the cancellation of remaining 671,000 treasury shares.

35. OTHER RESERVES

The Group

During the Track Record Period, the amounts of the Group's other reserves and the changes therein are presented in the consolidated statements of changes in equity.

The Company

	Share premium	Share-based payment reserves	Statutory reserve	Other comprehensive income	Total reserves
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	2,130,065	7,248	40,000	(1,000)	2,176,313
Conversion of share premium into share capital	(40,000)	—	—	—	(40,000)
Appropriation of statutory reserve	—	—	19,691	—	19,691
Share-based payment expenses	—	(5,927)	—	—	(5,927)
As at December 31, 2023	2,090,065	1,321	59,691	(1,000)	2,150,077
As at January 1, 2024	2,090,065	1,321	59,691	(1,000)	2,150,077
Appropriation of statutory reserve	—	—	309	—	309
Share-based payment expenses	—	6,403	—	—	6,403
Vesting of shares under restricted stock incentive plans	(1,434)	(7,724)	—	—	(9,158)
As at December 31, 2024	2,088,631	—	60,000	(1,000)	2,147,631
As at January 1, 2025	2,088,631	—	60,000	(1,000)	2,147,631
Other comprehensive loss for the year	—	—	—	(11,438)	(11,438)
Conversion of share premium into share capital	(47,848)	—	—	—	(47,848)
Appropriation of statutory reserve	—	—	13,891	—	13,891
Share-based payment expenses	—	11,598	—	—	11,598
Cancellation of treasury shares	(28,963)	—	—	—	(28,963)
As at December 31, 2025	2,011,820	11,598	73,891	(12,438)	2,084,871
As at January 1, 2025	2,088,631	—	60,000	(1,000)	2,147,631
Other comprehensive loss for the period (unaudited)	—	—	—	(11,438)	(11,438)
Conversion of share premium into share capital (unaudited)	(47,848)	—	—	—	(47,848)
Appropriation of statutory reserve (unaudited)	—	—	8,048	—	8,048
Share-based payment expenses (unaudited)	—	3,268	—	—	3,268
As at July 31, 2025 (unaudited)	2,040,783	3,268	68,048	(12,438)	2,099,661

	Share premium	Share-based payment reserves	Statutory reserve	Other comprehensive income	Total reserves
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2026	2,011,820	11,598	73,891	(12,438)	2,084,871
Other comprehensive loss for the period	—	—	—	(1,312)	(1,312)
Appropriation of statutory reserve	—	—	9,949	—	9,949
Share-based payment expenses	—	11,308	—	—	11,308
Vesting of shares under restricted stock incentive plans	20,531	(12,354)	—	—	8,177
As at July 31, 2026	2,032,351	10,552	83,840	(13,750)	2,112,993

36. SHARE-BASED EMPLOYEE COMPENSATIONS

Share-based payment expenses during the Track Record Period were as follows:

	Year ended December 31,			Seven months ended July 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Share-based payment expenses	(5,927)	6,403	13,623	3,761	13,074

(a) Restricted stock incentive plans

Incentive Plan 2022

Pursuant to the 2022 restricted stock incentive plan (the "**Incentive Plan 2022**") approved at the 2022 first extraordinary general meeting of the Company on May 10, 2022, the Company completed the initial grant of 640,000 restricted stocks to 87 participants in May 2022 at an exercise price of RMB76.00 per share, and the vesting periods for the restricted stocks granted are 1 year, 2 years and 3 years from the grant date. Based on the Group's performance appraisal and individual performance appraisal, 30%, 30% and 40% of the restricted stocks will be vested, respectively.

On May 8, 2023, the Company granted 160,000 restricted stocks to 36 participants at an exercise price of RMB74.50 per share, and the vesting periods for the restricted stocks granted are 1 year and 2 years from the grant date. Based on the Group's performance appraisal and individual performance appraisal, 50% and 50% of the restricted stocks will be vested, respectively.

Incentive Plan 2023

Pursuant to the 2023 restricted stock incentive plan (the "**Incentive Plan 2023**") approved at the 2023 second extraordinary general meeting of the Company on October 9, 2023, the Company completed the initial grant of 1,309,000 restricted stocks to 137 participants in December 2023 at an exercise price of RMB33.58 per share, and the vesting periods for the restricted stocks granted are 1 year, 2 years and 3 years from the grant date. Based on the Group's performance appraisal and individual performance appraisal, 30%, 30% and 40% of the restricted stocks will be vested, respectively.

On September 20, 2024, the Company granted 220,000 restricted stocks to 34 participants at an exercise price of RMB32.68 per share, and the vesting periods for the restricted stocks granted are 1 year and 2 years from the grant date. Based on the Group's performance appraisal and individual performance appraisal, 50% and 50% of the restricted stocks will be vested, respectively.

Incentive Plan 2025

Pursuant to the 2025 restricted stock incentive plan (the "**Incentive Plan 2025**") approved at the 2025 second extraordinary general meeting of the Company on June 12, 2025, the Company completed the initial grant of 1,203,000 restricted stocks to 168 participants in June 2025 at an exercise price of RMB25.44 per share, and the vesting periods for the restricted stocks granted are 1 year, 2 years and 3 years from the grant date. Based on the Group's performance appraisal and individual performance appraisal, 40%, 30% and 30% of the restricted stocks will be vested, respectively.

On May 21, 2026, the Company granted 338,000 restricted stocks to 54 participants at an exercise price of RMB17.91 per share, and the vesting periods for the restricted stocks granted are 1 year and 2 years from the grant date. Based on the Group's performance appraisal and individual performance appraisal, 50% and 50% of the restricted stocks will be vested, respectively.

Set out below are details of the movements of the outstanding number of restricted stocks throughout the Track Record Period:

	Year ended December 31,			Seven months ended July 31,	
	2023	**2024**	**2025**	**2025**	**2026**
	'000	*'000*	*'000*	*'000* (unaudited)	*'000*
As at beginning of the year/period	640	2,164	1,380	1,380	3,025
Granted	1,469	220	1,203	1,203	338
Conversion of share premium into share capital *(Note)*	400	—	864	864	—
Vested	—	(216)	—	—	(501)
Forfeited	(345)	(788)	(422)	(422)	(1,558)
As at end of the year/period	2,164	1,380	3,025	3,025	1,304

Note:

Pursuant to the Incentive Plan 2022 and Incentive Plan 2025, during the period from the announcement date to the vesting of the restricted shares, the grant quantities of the restricted shares shall be adjusted in line with conversion of share premium into share capital.

The fair value of the equity-settled equity incentive granted on the grant date is estimated using the Black-Scholes option pricing model, in combination with the terms and conditions of the equity incentive granted. The following table lists the inputs to the model used:

	Incentive Plan 2022	Incentive Plan 2023	Incentive Plan 2025	Incentive Plan 2025
	May 2022 Grant	December 2023 Grant	June 2025 Grant	May 2026 Grant
Share price *(RMB)*	142.70	62.30	59.80	42.80
Exercise price *(RMB) (Note)*	76.00	33.58	25.44	17.91
Expected volatility	25.73%–26.52%	17.11%–25.04%	29.40%–40.09%	23.63%–32.90%
Expected life *(years)*	1–3	1–3	1–3	1–2
Risk-free rate	1.50%–2.75%	1.50%–2.75%	1.50%–2.75%	1.50%–2.10%
Expected dividend yield	0.40%	1.65%	0.60%	0.58%

Note:

The exercise price of restricted stocks may be adjusted in case of any allotments of shares, payments of share dividends or other similar changes in the Company's share capital.

(b) Stock appreciation rights

Pursuant to the 2025 stock appreciation rights incentive plan (the "**2025 SAR Incentive Plan**") approved at the second extraordinary general meeting of the Company held on June 12, 2025, the Company completed the grant of 252,000 stock appreciation rights to 31 participants in June 2025 at an exercise price of RMB25.44 per right. The 2025 SAR Incentive Plan is cash-settled and the settlement price is the closing price of the Company's shares on the exercisable date of each batch of stock appreciation rights, with a maximum limit of no more than RMB100.00 per share. The vesting periods for the granted stock appreciation rights are 1 year, 2 years and 3 years from the grant date. Based on the Group's performance appraisal and individual performance appraisal, 40%, 30% and 30% of the stock appreciation rights will be vested, respectively.

On June 17, 2026, the 27th meeting of the Second Board of Directors approved the resolutions on (i) adjustment of exercise and maximum settlement prices and quantities under the Incentive Plan 2025 and the 2025 SAR Incentive Plan; and (ii) satisfaction of vesting conditions for the first tranche under the 2025 SAR Incentive Plan. The exercise price of stock appreciation rights was adjusted from RMB25.44 per share to RMB17.31 per share, the maximum settlement price was adjusted from RMB100.00 per share to RMB70.61 per share, the number of stock appreciation rights increased from 252,000 units to 352,000 units. The Company approved exercise arrangements for 28 eligible grantees for 90,100 stock appreciation rights at RMB17.31 per share. Stock appreciation rights that failed to satisfy vesting conditions were forfeited.

During the year ended December 31, 2025, share-based compensation expenses amounting to RMB2,025,000 was recognized for the granted stock appreciation rights.

During the seven months ended July 31, 2025, share-based compensation expenses amounting to RMB493,000 (unaudited) was recognized for the granted stock appreciation rights.

During the seven months ended July 31, 2026, share-based compensation expenses amounting to RMB1,766,000 was recognized for the granted stock appreciation rights.

The Company measured the fair value of services received in exchange for the stock appreciation rights indirectly by reference to the fair value of the stock appreciation rights granted, as the fair value of employee services could not be reliably estimated, in accordance with IFRS 2.10 and 2.12.

The fair value of the stock appreciation rights at each reporting date was determined using the Binomial model. The following table lists the inputs to the model used:

	2025 SAR Incentive Plan	2025 SAR Incentive Plan
	December 31, 2025	July 31, 2026
Share price *(RMB)*	59.80	48.38
Exercise price *(RMB) (Note)*	25.44	17.31
Expected volatility	31%	34.97%
Expected life *(years)*	1–3	1–3
Risk-free rate	1.34%–1.44%	1.13%–1.27%
Expected dividend yield	0.93%	1.24%

Note:

The exercise price of the stock appreciation rights may be adjusted in case of any allotments of shares, payments of share dividends or other similar changes in the Company's share capital.

37. ASSET ACQUISITION

(a) Acquisition during the year ended December 31, 2023

On March 23, 2023 (the "**Acquisition Date**"), the Group acquired 100% equity interests and obtained the control of Suzhou Xinweixi Biopharmaceutical Co., Ltd. ("**Suzhou XWX**") at a cash consideration of RMB202,760,000.

The directors of the Company were of the opinion that acquisition of Suzhou XWX did not constitute a business combination as defined in IFRS 3 (Revised) "Business Combinations" since the assets acquired were lack of existing process that had the ability to create outputs, and therefore the acquisition was accounted for as asset acquisition. Assets acquired and liabilities assumed upon acquisition date of March 23, 2023 are as follows:

	RMB'000
Total consideration	
Cash consideration	202,760
Fair value of identifiable assets acquired and liabilities assumed:	
Cash and cash equivalents	31,921
Prepayments, other receivables and other assets	9,527
Property, plant and equipment	164,088
Right-of-use assets	26,456
Other payables and accruals	(29,232)
Net identifiable assets acquired	202,760
Less: non-controlling interests	—
	202,760
Analysis of net inflow of cash and cash equivalents	
Cash and cash equivalents acquired	31,921
Less: cash consideration	(202,760)
Add: previously paid consideration	202,760
Net cash inflow	31,921

In addition to disclosed above, there were no other acquisitions during the year ended December 31, 2023.

(b) Acquisition during the years ended December 31, 2024 and 2025 and during the period ended July 31, 2026

There were no material acquisitions during the years ended December 31, 2024 and 2025 and during the period ended July 31, 2026 individually and collectively.

38. PLEDGED ASSETS

The Group

At the end of each year/period for the Track Record Period, the Group's certain assets have been pledged to secure notes payables and supervised accounts (Note 25). The carrying amounts of the pledged assets of the Group at the end of each year/period for the Track Record Period are as follows:

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Restricted bank deposits *(Note 25)*	42,754	96,234	274	3,056

39. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities during the Track Record Period is as follows:

	Borrowings	Lease liabilities	Dividends payable
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2023	—	71,491	—
Cash flows	6,000	(31,931)	(120,000)
Interest expense	9	2,686	—
New leases or termination	—	16,327	—
Dividends declared to the shareholders of the Company	—	—	120,000
Exchange adjustments	—	30	—
As at December 31, 2023 and January 1, 2024	6,009	58,603	—
Cash flows	80,997	(26,778)	(107,754)
Interest expense	1,227	2,316	—
New leases or termination	—	18,321	—
Dividends declared to the shareholders of the Company	—	—	107,754
Exchange adjustments	—	10	—
As at December 31, 2024	88,233	52,472	—
As at January 1, 2025	88,233	52,472	—
Cash flows	(33,939)	(23,394)	(83,791)
Interest expense	1,010	1,787	—
New leases or termination	—	277	—
Dividends declared to the shareholders of the Company	—	—	83,791
Exchange adjustments	—	(43)	—
			—
As at December 31, 2025	55,304	31,099	

	Borrowings	Lease liabilities	Dividends payable
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2026	55,304	31,099	—
Cash flows	22,251	(12,603)	(100,307)
Interest expense	768	759	—
New leases or termination	—	7,756	—
Dividends declared to the shareholders of the Company	—	—	100,307
Exchange adjustments	—	(49)	—
As at July 31, 2026	78,323	26,962	—
As at January 1, 2025	88,233	52,472	—
Cash flows (unaudited)	(56,567)	(15,660)	(83,791)
Interest expense (unaudited)	802	1,146	—
New leases or termination (unaudited)	—	64	—
Dividends declared to the shareholders of the Company (unaudited)	—	—	83,791
Exchange adjustments (unaudited)	—	(12)	—
As at July 31, 2025 (unaudited)	32,468	38,010	—

(b) Major non-cash investing and financing activities

Major non-cash investing and financing activities disclosed in other notes are as follows:

- additions to right-of-use assets in respect of leased buildings — Note 16.

40. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

The Company

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Unlisted investments, at cost	427,778	580,204	661,395	735,634

As at December 31, 2023, 2024, 2025 and July 31, 2026 and the date of this report, the Company's principal subsidiaries are as follows:

Name of entity	Place of incorporation/ operation	Registered share capital	Effective interest held by the Company										Principal activities
			As at December 31,						As at July 31,		As at the date of this report		
			2023		2024		2025		2026				
		'000	*Direct*	*Indirect*	*Direct*	*Indirect*	*Direct*	*Indirect*	*Direct*	*Indirect*	*Direct*	*Indirect*	
ACROBiosystems Inc.	US	USD5	—	100%	—	100%	—	100%	—	100%	—	100%	Provision of biologics products and technical services
ACROBiosystems HongKong Limited	Hong Kong	USD420	100%	—	100%	—	100%	—	100%	—	100%	—	Sales of biologics products
Suzhou Xinweixi Biopharmaceutical Co., Ltd. *(Note)*	PRC	RMB130,000	—	100%	—	100%	—	100%	—	100%	—	100%	R&D, production and sales of biologics products
ACROBiosystems (Suzhou) Biotech Co., Ltd. *(Note)*	PRC	RMB130,000	100%	—	100%	—	100%	—	100%	—	100%	—	R&D, production and sales of biologics products
ACROBiosystems AG	Switzerland	CHF100	—	100%	—	100%	—	100%	—	100%	—	100%	Provision of biologics products and technical services

Note:

As at September 8, 2024, the registered share capital of Suzhou Xinweixi Biopharmaceutical Co., Ltd. and ACROBiosystems (Suzhou) Biotech Co., Ltd. increased from RMB100,000,000 to RMB130,000,000.

The statutory auditors of the above subsidiaries of the Company during the Track Record Period are as follows:

Name of entity	Name of statutory auditors		
	As at December 31,		
	2023	2024	2025
ACROBiosystems Inc. *(Note (a))*	N/A	N/A	N/A
ACROBiosystems HongKong Limited	AYC CPA LIMITED	AYC CPA LIMITED	AYC CPA LIMITED
Suzhou Xinweixi Biopharmaceutical Co., Ltd.	RSM China CPA LLP	RSM China CPA LLP	RSM China CPA LLP
ACROBiosystems (Suzhou) Biotech Co., Ltd. *(Note (a))*	N/A	N/A	N/A
ACROBiosystems AG *(Note (a))*	N/A	N/A	N/A

Notes:

(a) No audited financial statements were issued for these subsidiaries for the years ended December 31, 2023, 2024 and 2025 as they were not required to issue audited financial statements under the statutory requirements of their places of incorporation.

(b) The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results during the Track Record Period or formed a substantial portion of the revenue or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

(c) All the subsidiaries of the Company are limited liability companies. All subsidiaries have adopted December 31, as their financial year end date.

(d) None of the subsidiaries had issued any debt securities during the Track Record Period.

41. COMMITMENTS

At the end of each year/period for the Track Record Period, the Group's capital commitments contracted but not provided for in the Historical Financial Information were as follows:

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Property, plant and equipment	55,684	—	173,333	113,209
Investments in associate	45,000	45,000	45,000	45,000
	100,684	45,000	218,333	158,209

42. RELATED PARTY TRANSACTIONS

Save as disclosed in elsewhere to the Historical Financial Information, the Group entered into the following related party transactions during the Track Record Period:

(a) Relationships with related parties

Name of related party	Relationship with the Group
Zhejiang Oasis Biofarm Inc.	Director, Li Yang, holds the position of director
Jiangsu Puxin Biomedical Co., Ltd.	Director, Li Yang, holds the position of director

(b) Transactions with related parties

	Year ended December 31,			Seven months ended July 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Sales transactions:					
Jiangsu Puxin Biomedical Co., Ltd.	59	49	141	130	261
Procurement transactions:					
Zhejiang Oasis Biofarm Inc.	4	119	—	—	—
Jiangsu Puxin Biomedical Co., Ltd.	1	—	4	—	18
	5	119	4	—	18

(c) Balances with related parties

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables:				
Jiangsu Puxin Biomedical Co., Ltd.	—	—	78	250

(d) Compensation of key management personnel of the Group

	Year ended December 31,			Seven months ended July 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Fees	300	300	300	175	175
Salaries, allowances, discretionary bonuses and benefits in kind	7,068	8,120	9,788	5,271	5,331
Retirement scheme contributions	650	637	924	596	527
Share-based payment expenses	(1,248)	426	200	41	198
	6,770	9,483	11,212	6,083	6,231

43. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each financial instrument as at the end of each year/period for the Track Record Period are as follows:

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Financial assets at amortized cost	2,062,076	1,992,366	1,542,093	1,372,244
Financial assets at FVTPL	2,386	11	398,786	572,099
Financial assets at FVTOCI	16,771	16,919	5,201	3,597
Financial liabilities				
Financial liabilities measured at amortized cost	170,646	241,905	180,284	206,008

44. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Financial assets and liabilities measured at fair value in the consolidated statements of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability and significance of inputs to the measurements, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and not using significant unobservable inputs.

Level 3: significant unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which the financial asset or liability is categorized in its entirety is based on the lowest level of input that is significant to the fair value measurement.

The table below analyses the Group's financial instruments carried at fair value as at December 31, 2023, 2024 and 2025 and July 31, 2026 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorized into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, significant unobservable inputs) (Level 3).

(a) Fair value hierarchy

As at December 31, 2023 and 2024 and 2025 and July 31, 2026, the financial assets measured at fair value on a recurring basis by the above three levels were analyzed below:

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023				
Financial assets at FVTPL				
— Bank wealth management products (WMPs) and structured deposits	—	11	—	11
— Derivative financial instruments	—	2,375	—	2,375
Financial assets at FVTOCI				
—Unlisted equity investments	—	—	16,771	16,771
	—	2,386	16,771	19,157
As at December 31, 2024				
Financial assets at FVTPL				
— Bank wealth management products (WMPs) and structured deposits	—	11	—	11
Financial assets at FVTOCI				
— Notes receivables measured at FVTOCI	—	—	22	22
— Unlisted equity investments	—	—	16,897	16,897
	—	11	16,919	16,930
As at December 31, 2025				
Financial assets at FVTPL				
— Bank wealth management products (WMPs) and structured deposits	—	132,084	—	132,084
— Financial investment products	—	266,702	—	266,702
Financial assets at FVTOCI				
— Unlisted equity investments	—	—	5,201	5,201
	—	398,786	5,201	403,987
As at July 31, 2026				
Financial assets at FVTPL				
— Bank wealth management products (WMPs) and structured deposits	—	86,890	—	86,890
— Financial investment products	—	484,530	—	484,530
— Unlisted equity investments	—	—	679	679
Financial assets at FVTOCI				
— Unlisted equity investments	—	—	3,597	3,597
	—	571,420	4,276	575,696

(b) Valuation techniques used to determine fair values

The fair value of financial instruments traded in an active market is determined at the quoted market price; and the fair value of those not traded in an active market is determined by the Group using valuation technique. The valuation models used are mainly market approach. The inputs of the valuation technique mainly include discount for lack of marketability.

Assets subject to Level 2 fair value measurement mainly included bank WMPs and structured deposits, financial investment products and derivative financial instruments. These assets were measured mainly by quoted value from banks and financial institutions based on expected return with reference to underlying investment portfolio.

Assets subject to Level 3 fair value measurement mainly included equity investments in unlisted entities at FVTOCI and FVTPL. These assets were measured mainly using market approach. The judgement of Level 3 of the fair value hierarchy is based on the materiality of unobservable inputs towards calculation of whole fair value.

During the Track Record Period, there was no transfer into or out of Level 3.

The following table presents the changes in Level 3 items for the years ended December 31, 2023, 2024 and 2025 and the seven months ended July 31, 2026:

	Notes receivables measured at FVTOCI	Unlisted equity investments at FVTOCI	Unlisted equity investments at FVTPL	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Opening balance as at January 1, 2023	—	15,000	—	15,000
Additions	—	1,764	—	1,764
Exchange adjustment	—	7	—	7
Closing balance as at December 31, 2023	—	16,771	—	16,771
Opening balance as at January 1, 2024	—	16,771	—	16,771
Additions	22	100	—	122
Exchange adjustment	—	26	—	26
Closing balance as at December 31, 2024	22	16,897	—	16,919
Opening balance as at January 1, 2025	22	16,897	—	16,919
Additions	—	1,800	—	1,800
Settlements	(22)	—	—	(22)
Changes in fair value recognized in other comprehensive income	—	(13,456)	—	(13,456)
Exchange adjustment	—	(40)	—	(40)
Closing balance as at December 31, 2025	—	5,201	—	5,201
Opening balance as at January 1, 2026	—	5,201	—	5,201
Additions	—	—	679	679
Changes in fair value recognized in other comprehensive income	—	(1,544)	—	(1,544)
Exchange adjustment	—	(60)	—	(60)
Closing balance as at July 31, 2026	—	3,597	679	4,276

The quantitative information of fair value measurements as at December 31, 2023, 2024 and 2025 and July 31, 2026 for Level 3 is as follows:

	Fair value hierarchy	As at December 31,			As at July 31,	Valuation techniques	Unobservable inputs	Range	Sensitivity of fair value to the input
		2023	2024	2025	2026				
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*				
Financial assets at FVTPL									
Unlisted equity investments .	Level3	—	—	—	679	Recent transaction price	N/A	N/A	N/A
Financial assets at FVTOCI									
— Notes receivables measured at FVTOCI .	Level 3	—	22	—	—	Discounted cash flow	Discount rate	2.05%–2.7%	N/A
— Unlisted equity investments.	Level 3	16,771	16,897	5,201	3,597	Market approach, Net assets value	Discount for lack of marketability, Net assets value	28%, N/A	Note
		16,771	16,919	5,201	3,597				

Note:

A 10% increase/decrease in the discount for lack of marketability as at December 31, 2023, 2024, 2025 and July 31, 2026 would result in a corresponding decrease/increase in fair value of relevant assets by RMB566,000, RMB556,000, RMB138,000 and nil.

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial instruments of the Group mainly comprise cash and cash equivalents, time deposits, restricted bank deposits, other financial assets and borrowings, the main purpose of which is to support for the operations of the Group. The Group has various other financial assets and liabilities such as trade and notes receivables, other receivables, trade and notes payables and other payables and accruals, which arise directly from its operations.

The risks of the Group's financial instruments are mainly arising from foreign currency risk, price risk, interest rate risk, credit risk and liquidity risk. The directors of the Company review and agree policies for managing each of these risks and they are summarized below.

Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

As at December 31, 2023, 2024 and 2025 and July 31, 2026, the Group's major monetary assets and liabilities exposed to foreign currency risk are listed below:

	USD	EUR
	RMB'000	*RMB'000*
As at December 31, 2023		
Assets	191,401	10,390
Liabilities	—	70
Net exposure	191,401	10,320
As at December 31, 2024		
Assets	420,173	20,573
Liabilities	105	6
Net exposure	420,068	20,567
As at December 31, 2025		
Assets	600,171	24,701
Liabilities	1,997	11
Net exposure	598,174	24,690
As at July 31, 2026		
Assets	175,021	32,332
Liabilities	5,050	10
Net exposure	169,971	32,322

Sensitivity analysis

The following table details the Group's sensitivity to a 10% increase and decrease in RMB against USD and EUR. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes outstanding USD and EUR denominated monetary items and adjusts their translation at the end of each year/period for the Track Record Period for a 10% change in foreign currency rates. A negative number below indicates a decrease in profit before income tax where RMB strengthen 10% against USD and EUR. For a 10% weakening of RMB against USD and EUR, there would be an equal and opposite impact on the profit before income tax and the amounts below would be positive.

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
USD	(19,140)	(42,007)	(59,817)	(16,997)
EUR	(1,032)	(2,057)	(2,469)	(3,232)

Price risk

The Group is exposed to equity price risk mainly arising from bank wealth management products (WMPs) and structured deposits, derivative financial instruments, financial investment products held by the Group that are classified as FVTPL. To manage its price risk arising from investments, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group. Each investment is managed by senior management on a case-by-case basis.

The Group is not exposed to commodity price risk.

Interest rate risk

The Group's interest rate risk primarily arises from long-term interest-bearing borrowings with floating interest rates. The Group determines the relative proportion of fixed rate and floating rate contracts based on the market environment at that time.

The Group has been monitoring the level of interest rates. The increase in the interest rates will increase the interest costs of borrowings at variable rates, which will further impact the performance of the Group.

The following tables list out the interest rate profiles of the Group's variables interest-bearing financial instruments as at December 31, 2023, 2024 and 2025 and July 31, 2026:

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Floating rate instruments				
— Borrowings	—	—	32,778	56,808

If interest rates of floating rate instruments had been 100 basis points higher/lower with all other variables held constant, the profit before income tax would be lower/higher of approximately RMB46,000 and RMB221,000 for the year ended December 31, 2025 and the seven months ended July 31, 2026.

Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations and from its investing activities.

The Group's maximum exposure to credit risk is represented by the carrying amount of each financial asset measured at amortized cost and notes receivables measured at FVTOCI as disclosed in Note 43 to the Historical Financial Information. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Trade receivables reported by the Group's overseas operating entities accounted for 55.51%, 53.50%, 49.66% and 43.49% of the total trade receivables as at December 31, 2023, 2024 and 2025 and July 31, 2026, respectively.

The Group has concentration of credit risk as 16.22%, 14.22%, 14.49% and 13.43% of the total trade receivables was due from the Group's largest customer as at December 31, 2023, 2024 and 2025 and July 31, 2026, respectively. The Group has concentration of credit risk as 30.51%, 29.64% and 27.26% and 28.26% of the total trade receivables was due from the Group's five largest customers as at December 31, 2023, 2024 and 2025 and July 31, 2026, respectively.

As at December 31, 2023, 2024 and 2025 and July 31, 2026, The Group have no credit risk other than financial assets whose carrying amounts best represent the maximum exposure to credit risk.

(a) Cash and cash equivalents, time deposits, restricted bank deposits and other financial assets

To manage risk arising from cash and cash equivalents and restricted cash, the Group only transacts with state-owned or reputable financial institutions. There has been no recent history of default in relation to these financial institutions. These instruments are considered to have low credit risk because they have a low risk of default and the counterparties have a strong capacity to meet their contractual cash flow obligations in the near term. Cash and cash equivalents, time deposits, restricted bank deposits and other financial assets are also subject to the impairment requirements of IFRS 9, while the identified credit loss was immaterial.

(b) Trade receivables

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and ageing.

The expected loss rates are based on the credit rating of counter parties and the payment profiles of sales and probability of default of counter parties on an ongoing basis throughout each year/period for the Track Record Period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product ("**GDP**") and inflation rates to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Individually impaired trade receivables are related to customers who are experiencing unexpected economic difficulties. The Group expects that the amounts of the receivables will partially or entirely have difficulty to be recovered and has recognized impairment losses.

The Group's trade receivables as described in Note 23 mainly represented receivables received from the sales of products to customers.

Trade receivables

Impaired trade receivables include:

Category 1: customers with similar credit risk characteristics

Category 2: customers with objective evidence of impairment and significant different credit risk characteristics

As at December 31, 2023, 2024 and 2025 and July 31, 2026, the allowance for impairment for the trade receivables were determined as follows:

	Gross carrying amount	Allowance for impairment	Expected loss rate
	RMB'000	*RMB'000*	
As at December 31, 2023			
Category 1 — collective basis	78,240	(3,948)	5.05%
As at December 31, 2024			
Category 1 — collective basis	105,767	(5,431)	5.13%
As at December 31, 2025			
Category 1 — collective basis	142,797	(7,464)	5.23%
Category 2 — individual basis	128	(128)	100.00%
	142,925	(7,592)	5.31%
As at July 31, 2026			
Category 1 — collective basis	183,259	(10,056)	5.49%
Category 2 — individual basis	128	(128)	100.00%
	183,387	(10,184)	5.55%

Other receivables

Over the term of other receivables, the Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. To assess whether there is a significant increase in credit risk in other receivables, the Group compares the risk of a default occurring on the financial assets at the end of each year/period for the Track Record Period with the risk of default at the date of initial recognition. It considers available, reasonable, supportive forward-looking information. Especially, the following indicators are incorporated:

- external credit rating of the counterparty (as far as available).
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations.
- actual or expected significant changes in the operating results of the counterparty; and
- significant expected changes in the performance and behavior of the counterparty, including changes in the payment status of the counterparty.

Based on historical experiences and consideration of forward-looking information, the impairment on other receivables as stated in Note 24 to the Historical Financial Information, which were accounted for as amortized cost is measured as either 12-month ECL or lifetime ECL. On such basis, the following table sets forth the impairment for other receivables as at December 31, 2023, 2024 and 2025 and July 31, 2026:

	Stage 1	Stage 3	Total
	12-month ECL	Lifetime ECL	
As at December 31, 2023			
Expected loss rate	37.75%	—	37.75%
Gross carrying amount *(RMB'000)*	5,852	—	5,852
Allowance for impairment *(RMB'000)*	(2,209)	—	(2,209)
As at December 31, 2024			
Expected loss rate	50.57%	—	50.57%
Gross carrying amount *(RMB'000)*	6,783	—	6,783
Allowance for impairment *(RMB'000)*	(3,430)	—	(3,430)
As at December 31, 2025			
Expected loss rate	71.60%	100.00%	71.68%
Gross carrying amount *(RMB'000)*	7,507	20	7,527
Allowance for impairment *(RMB'000)*	(5,375)	(20)	(5,395)
As at July 31, 2026			
Expected loss rate	65.50%	100.00%	65.50%
Gross carrying amount *(RMB'000)*	8,317	20	8,337
Allowance for impairment *(RMB'000)*	(5,448)	(20)	(5,468)

Liquidity risk

The Group aims to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining adequate balances of such. The table below analyses the Group's financial liabilities by relevant maturity groupings based on the remaining period from the end of each year/period for the Track Record Period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows or the carrying amount of the financial liabilities to be delivered.

	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023					
Trade and notes payables	58,337	—	—	—	58,337
Other payables and accruals	47,697	—	—	—	47,697
Borrowings	6,179	—	—	—	6,179
Lease liabilities	23,007	22,971	11,861	4,583	62,422
	135,220	22,971	11,861	4,583	174,635
As at December 31, 2024					
Trade and notes payables	35,310	—	—	—	35,310
Other payables and accruals	65,890	—	—	—	65,890
Borrowings	89,582	—	—	—	89,582
Lease liabilities	29,651	18,485	6,382	615	55,133
	220,433	18,485	6,382	615	245,915

	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2025					
Trade and notes payables	70,559	—	—	—	70,559
Other payables and accruals	23,322	—	—	—	23,322
Borrowings	1,232	1,206	55,797	—	58,235
Lease liabilities	19,483	11,177	1,549	—	32,209
	114,596	12,383	57,346	—	184,325
As at July 31, 2026					
Trade and notes payables	54,081	—	—	—	54,081
Other payables and accruals	46,642	—	—	—	46,642
Borrowings	1,905	79,650	—	—	81,555
Lease liabilities	22,274	5,150	136	—	27,560
	124,902	84,800	136	—	209,838

As at December 31, 2023, the principal amounts of borrowings that mature within 1 year is RMB6,000,000.

As at December 31, 2024, the principal amounts of borrowings that mature within 1 year is RMB87,457,000.

As at December 31, 2025, the principal amounts of borrowings that mature in 2 to 3 years is RMB55,278,000.

As at July 31, 2026, the principal amounts of borrowings that mature in 1 to 2 years is RMB78,164,000.

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern by pricing services commensurately with the level of risk so that it can continue to provide returns and benefits to the shareholders and other stakeholders.

The Group sets the amount of capital in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the subject assets. In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to the shareholders or return capital to the shareholders. The Group is not subject to any external capital requirements. During the Track Record Period, there are no changes in capital management objectives, policies or procedures.

	As at December 31,			As at July 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total assets	2,813,498	2,914,607	3,009,630	3,113,640
Total liabilities	225,224	303,886	351,901	423,524
Liability-to-asset ratio	8.01%	10.43%	11.69%	13.60%

46. CONTINGENT LIABILITY

As at December 31, 2023, 2024 and 2025 and July 31, 2026, the Group has no significant outstanding litigation or contingent liability that in the opinion of the directors of the Company would have material impact to the Group's financial position.

47. EVENT AFTER THE END OF THE REPORTING PERIOD

Pursuant to the Proposal on the Share Repurchase Plan approved at Second Extraordinary General Meeting of the Company as at July 16, 2026, the Company paid RMB901,000 to repurchase 20,000 shares as at August 3, 2026.

As at September 9, 2026, the Company subscribed for a capital commitment of RMB150,000,000 in Suzhou Suzhou High Tech Rongsheng Baipu Entrepreneurship Investment Partnership Enterprise (Limited Partnership) (蘇州蘇高新融晟百普創業投資合夥企業(有限合夥)). The initial capital contribution shall be no less than RMB1,000,000. As at the date of this report, the Company has made a capital contribution of RMB3,000,000.

III. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies comprising the Group in respect of any period subsequent to July 31, 2026.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

TAXATION OF SECURITY HOLDERS

Income tax and capital gains tax of holders of the H shares are subject to the laws and practices of the PRC and of jurisdictions in which holders of the H shares are resident or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current laws and practices, and has not taken into account the expected change or amendment to the relevant laws or policies and does not constitute any opinion or advice. The discussion does not deal with all possible tax consequences relating to an **[REDACTED]** in the H shares, nor does it take into account the specific circumstances of any particular investor, some of which may be subject to special regulation. Accordingly, you should consult your own tax adviser regarding the tax consequences of an **[REDACTED]** in the H shares.

The discussion is based upon laws and relevant interpretations in effect as of the Latest Practicable Date, all of which are subject to change or adjustment and may have retrospective effect. This discussion does not address any aspects of PRC taxation other than income tax, stamp duty and estate duty. **[REDACTED]** are urged to consult their financial advisers regarding the PRC and other tax consequences of **[REDACTED]** and **[REDACTED]** of the H shares.

TAXATION IN CHINESE MAINLAND

Tax on Dividends and Bonuses

Individual Investors

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》) (the "**IIT Law**"), amended by the Standing Committee of the National People's Congress (the "**SCNPC**") on August 31, 2018 and effective on January 1, 2019, and the Implementation Rules of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法實施條例》) amended by the State Council on December 18, 2018 and effective on January 1, 2019, dividends paid by PRC companies to individual investors are ordinarily subject to a withholding income tax levied at a flat rate of 20%. Meanwhile, according to Notice on Issues Relating to Differentiated Individual Income Tax Policies for Dividends and Bonuses of Listed Companies (《關於上市公司股息紅利差別化個人所得税政策有關問題的通知》) issued by the MOF, the STA and the CSRC on September 7, 2015 and effective on September 8, 2015, for shares of listed companies obtained by individuals via the public offering and market transfer and held for more than one year, the income from dividends and bonuses thereof shall temporarily be exempt from individual income tax. For shares of listed companies obtained by individuals via the public offering and market transfer and held for less than one month (including one month), the income from dividends and bonuses thereof shall be fully included in the individual's taxable income amount; where the shares are held for a period from one month up to one year (including one year), 50% of the income from dividends and bonuses therefrom shall temporally be included in the individual's taxable income amount; the aforesaid income shall be subject to individual income tax based on 20% tax rate on a unified basis.

Pursuant to the Arrangement between the Chinese Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《中國內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》) (the "**Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income**"), signed on August 21, 2006, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interests in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the PRC company. The Fifth Protocol of the State Taxation Administration to the Arrangement between the Chinese Mainland and the Hong Kong Special

Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《國家税務總局關於〈中國內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排〉第五議定書》) (the "**Fifth Protocol**"), issued by the STA and effective on December 6, 2019, provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Enterprise Investors

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》) (the "**EIT Law**") amended by the SCNPC and became effective on December 29, 2018, and the Rules for the Implementation of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法實施條例》) (the "**Implementation Rules of EIT Law**") latest amended on December 6, 2024 and became effective on January 20, 2025, a non-resident enterprise is subject to a 10% enterprise income tax on PRC-sourced income, including dividends paid by a PRC resident enterprise that issues and lists shares in Hong Kong, if such non-resident enterprise does not have an establishment or premises in the PRC or has an establishment or premises in the PRC but the PRC-sourced income is not actually connected with such establishment or premises in the PRC. The aforesaid income tax payable by non-resident enterprises shall be withheld at source, and the payer shall be the withholding agent, and the tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due. Such tax may be reduced or exempted pursuant to an applicable agreement for the avoidance of double taxation.

Pursuant to the Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Which Are Overseas Non-resident Enterprises (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》) issued by the STA and effective on November 6, 2008, a PRC resident enterprise is required to withhold enterprise income tax at a flat rate of 10% on dividends paid to non-PRC resident enterprise holders of H Shares which are derived out of profit generated since 2008. The Reply on the Collection of Enterprise Income Tax on Dividends Received by Non-resident Enterprises from Holding B Shares and Other Shares (《關於非居民企業取得B股等股票股息徵收企業所得税問題的批覆》) promulgated by the STA and effective July 24, 2009 further provides that PRC-resident enterprises listed on Chinese and overseas stock exchanges by issuing stocks (including A shares, B shares and overseas shares) must withhold enterprise income tax at a flat rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprise shareholders. Relevant tax rates may be further modified pursuant to the tax treaty or agreement that China has concluded with a relevant jurisdiction, where applicable.

According to the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《所得避免雙重徵税和防止偷漏税的安排》), the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of equity interest in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total dividends payable by the PRC company. The Fifth Protocol provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Tax Treaties

Non-resident investors from countries or regions that have signed agreements for the avoidance of double taxation with the PRC are generally entitled to a lower withholding tax rate on dividends received from PRC enterprises. The PRC has signed such agreements with multiple jurisdictions, including but not limited to Hong Kong, Macao, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States. Pursuant to the Implementation

Rules of the PRC Tax Collection and Administration Law, where there are discrepancies between the provisions of applicable tax treaties and those of domestic tax legislation, the provisions of tax treaties shall prevail.

Pursuant to applicable regulations, we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of H Shares (including HKSCC Nominees). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities' verification.

Tax Related to Equity Transfer Income

Individual Investors

Under the Individual Income Tax Law and its implementation rules, individuals are subject to individual income tax at a rate of 20% on gains realized on the sale of equity interests in PRC resident enterprises. Pursuant to the Circular on Continuing the Temporary Exemption of Individual Income Tax on Gains from Share Transfers by Individuals (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》), which was promulgated by the MOF and the STA and became effective on 30 March 1998, from January 1, 1997, income of individuals from the transfer of shares in listed companies continues to be temporarily exempted from individual income tax. The State Administration of Taxation does not specify whether to continue to exempt individuals from personal income tax on the income from the transfer of shares in listed company in the newly revised Individual Income Tax Law and Implementation Rules of the Individual Income Tax Law. Under the Announcement of the Ministry of Finance and the State Administration of Taxation on the List of Preferential Individual Income Tax Policies That Remain Effective, which was issued and implemented by the Ministry of Finance and the State Administration of Taxation on December 29, 2018, the Notice on the Temporary Exemption of Individual Income Tax on Individuals' Income from the Transfer of Stocks will continue to be effective.

Enterprise Investors

Under the EIT Law and its implementation rules, a non-PRC resident enterprise is subject to enterprise income tax at the rate of 10% with respect to PRC-sourced income, including gains derived from the disposal of shares in a PRC resident enterprise, if it does not have an establishment or premises in the PRC or has an establishment or premises in the PRC but the PRC-sourced income is not actually connected with such establishment or premises in the PRC. The aforementioned income tax payable by non- PRC resident enterprises shall be withheld at source, and the payer shall be the withholding agent, and the tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due. Such tax may be reduced or exempted under applicable tax treaties or arrangements.

Taxation Policy for Shenzhen-Hong Kong Stock Connect

Pursuant to the Notice on the Tax Policies Concerning the Pilot Program of the Shenzhen-Hong Kong Stock Connect jointly issued by the MOF, the STA and the CSRC on November 5, 2016 and became effective on December 5, 2016, the transfer spread income derived by Chinese domestic enterprise investors from investing in shares listed on the Hong Kong Stock Exchange through the Shenzhen-Hong Kong Stock Connect shall be included in their total income and be subject to enterprise income tax pursuant to the law. For dividends and bonus obtained by Chinese domestic individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the H-share companies shall apply to the China Securities Depository and

Clearing Corporation Limited (the "**CSDC**") for provision by CSDC to the H-share companies register of Chinese domestic individual investors, and the H-share companies shall withhold individual income tax at the rate of 20%.

Pursuant to the Announcement on Continuing the Implementation of the Individual Income Tax Policies Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and the Mutual Recognition of Funds between Chinese Mainland and Hong Kong (關於繼續執行滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告) which promulgated by the MOF, the STA and the CSRC on December 4, 2019 and effective as at December 5, 2019, the Announcement on the Extension of Relevant Preferential Individual Income Tax Policies (關於延續實施有關個人所得稅優惠政策的公告) which promulgated by the MOF, the STA and effective as at the same date on January 16, 2023 and the Announcement on Continuing the Implementation of the Individual Income Tax Policies Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and the Mutual Recognition of Funds between Chinese Mainland and Hong Kong (關於延續實施滬港、深港股票市場交易互聯互通機制和中國內地與香港基金互認有關個人所得稅政策的公告) which promulgated by the MOF, the STA and the CSRC and effective as at the same date on August 21, 2023, the transfer spread income derived by Chinese domestic individual investors from investing in shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect shall be exempted from individual income tax from December 5, 2019 to December 31, 2027.

Pursuant to the Notice on the Tax Policies Concerning the Pilot Program of the Shenzhen-Hong Kong Stock Connect, income from dividends and bonuses derived by Chinese domestic enterprise investors from investment in shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect shall be included in the total income amount, and subject to enterprise income tax pursuant to the law. Income from dividends and bonuses derived by a Chinese Mainland resident enterprise for H shares held for 12 months consecutively shall be exempted from enterprise income tax pursuant to the law. The H shares company shall not withhold income tax on dividends and bonuses for enterprise investors in Chinese Mainland, and the tax payable amount shall be declared and paid by the enterprise.

Stamp Duty

According to the Stamp Duty Law of the PRC (《中華人民共和國印花稅法》), which was promulgated on June 10, 2021 and came into effect on July 1, 2022, the purchase and disposal of H shares by non-mainland Chinese investors outside the territory of the PRC is not subject to the requirements of the Stamp Duty Law of the PRC.

Estate Duty

According to PRC law, no estate duty is currently levied in the Chinese Mainland.

MAJOR TAXATION OF OUR COMPANY IN THE CHINESE MAINLAND

Enterprise Income Tax

According to the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法), enterprises and other operational organizations (hereinafter collectively referred to as "**enterprises**") within the territory of the PRC are the taxpayers of enterprise income tax and shall pay enterprise income tax in accordance with the provisions of the EIT Law. The Enterprise Income Tax rate is 25%.

Enterprises are classified into resident enterprises and non-resident enterprises. A non-resident enterprise that does not have an establishment or place of business in the PRC, or has an establishment or place of business but the income has no actual connection to such establishment or place of business, shall pay enterprise income tax on its income from the PRC and withhold at source, where the payer is

the withholding agent. The tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due. Meanwhile, any gains realized on the transfer of shares by relevant investors are subject to enterprise income tax and shall be withheld at source if such gains are regarded as income generated from the transfer of property within the territory of the PRC.

Value-added Tax

Pursuant to the Provisional Regulations on Value-added Tax of the PRC (中華人民共和國增值税暫行條例) amended by the State Council and became effective on November 19, 2017 and the Detailed Rules for the Implementation of the Provisional Regulations on Value-added Tax of the PRC (中華人民共和國增值税暫行條例實施細則) amended by the MOF on October 28, 2011 and effective on November 1, 2011, all entities and individuals in the PRC engaging in the sale of goods, the provision of processing, repairs and replacement services, and the importation of goods are required to pay value-added tax. For taxpayers selling or importing goods, the general tax rate shall be 17% unless otherwise specified in the aforesaid regulations.

According to the Notice on the Adjustment to VAT Rates (《關於調整增值税税率的通知》) (Cai Shui [2018] No. 32), promulgated by the MOF and the STA on April 4, 2018, and became effective as at May 1, 2018, the VAT rates of 17% and 11% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 16% and 10%, respectively.

According to the Announcement on Relevant Policies for Deepening Value-Added Tax Reform (《關於深化增值税改革有關政策的公告》) (2019 No. 39 of MOF, State Administration of Taxation and General Administration of Customs), promulgated by the MOF, the State Administration of Taxation and the General Administration of Customs on March 20, 2019 and became effective on April 1, 2019, the VAT rates of 16% and 10% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 13% and 9%, respectively.

On December 25, 2024, the SCNPC promulgated the Value Added Tax Law of the PRC, which shall come into force on January 1, 2026.

FOREIGN EXCHANGE ADMINISTRATION IN THE PRC

The lawful currency of the PRC is the Renminbi. The State Administration of Foreign Exchange (the "**SAFE**"), authorized by the PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange regulations.

Pursuant to the Regulations of the PRC on Foreign Exchange Control (《中華人民共和國外匯管理條例》) amended by the State Council and became effective on August 5, 2008, all international payments and transfers are classified into current account items and capital account items. The PRC does not impose restrictions on international payments and transfers under current account items. Foreign exchange income from the current account of PRC enterprises may be retained or sold to financial institutions engaged in the settlement and sale of foreign exchange in accordance with relevant provisions of the State. The retention or sale of foreign exchange receipts under capital accounts to financial institutions engaging in settlement and sale of foreign exchange shall be subject to the approval of foreign exchange administrative authorities, unless otherwise stipulated by the State.

Pursuant to the Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》) promulgated by the PBOC on June 20, 1996 and became effective on July 1, 1996, the remaining restrictions on convertibility of foreign exchange in respect of current account items are abolished while the existing restrictions on foreign exchange transactions in respect of capital account items are retained.

According to relevant laws and regulations of the PRC, PRC enterprises (including foreign-invested enterprises) which require foreign exchange for transactions relating to current account items, may, without the approval of SAFE, effect payment from their foreign exchange accounts at the designated foreign exchange banks, on the strength of valid receipts and proof of transactions. Foreign-invested enterprise that need to distribute profits to their shareholders in foreign exchange and Chinese enterprise that need to pay fixed dividends in foreign exchange in accordance with the requirements shall pay from its foreign exchange account or pay at the designated foreign exchange bank by a resolution of the board of directors on the distribution of profits.

According to the Decision of the State Council on Canceling and Adjusting a Group of Administrative Approval Items and Other Matters (《國務院關於取消和調整一批行政審批項目等事項的決定》) promulgated by the State Council and effective on October 23, 2014, the administrative approval of the SAFE and its branches on matters concerning the repatriation and settlement of foreign exchange of overseas-raised funds through overseas listing has been canceled.

According to the Circular of the SAFE on Relevant Issues Concerning the Foreign Exchange Administration of Overseas Listing (國家外匯管理局關於境外上市外匯管理有關問題的通知) promulgated by the SAFE and became effective on December 26, 2014, the relevant provisions on foreign exchange administration of domestic joint stock companies (hereinafter referred to as "**domestic companies**") listed overseas are as follows:

(i) The SAFE and its branches and the Foreign Exchange Management Department, or the Foreign Exchange Bureau, supervise, manage and inspect the business registration, account opening and use, cross-border income and expenditure, and capital exchange involved in the overseas listing of domestic companies.

(ii) A domestic company shall, within 15 working days after the completion of the overseas listing and initial offering, register the overseas listing with the Foreign Exchange Bureau at the place where it is registered with relevant material.

(iii) After the overseas listing of a domestic company, its domestic shareholders who intend to increase or reduce their shareholding in an overseas listed company according to relevant regulations shall register the overseas shareholding with the local foreign exchange bureau at the place where the domestic shareholders are located within 20 working days prior to the proposed increase or reduction of shareholding with relevant materials.

(iv) A domestic company (other than banking financial institutions) shall, by virtue of its registration certificate for overseas listing business, open a "special foreign exchange account for overseas listing of domestic companies" with a domestic bank for its initial offering (or additional offering) and repurchase business to handle the exchange and transfer of funds for the relevant business.

According to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) issued by the SAFE on February 13, 2015 and came into effect on June 1, 2015, the SAFE has canceled the confirmation of foreign exchange registration under domestic direct investment and the confirmation of foreign exchange registration under overseas direct investment, instead, banks shall directly examine and handle foreign exchange registration under domestic direct investment and foreign exchange registration under overseas direct investment, and the SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

According to the Notice of the State Administration of Foreign Exchange Reforming and Regulating the Policies for Administration of Foreign Exchange Settlement under Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) issued and implemented by the SAFE on June 9, 2016, the settlement of foreign exchange proceeds under the capital account (including the recalling of raised capital by overseas listing) that are subject to discretionary settlement may be handled at banks based on the actual business needs of the domestic institutions. The tentative percentage of foreign exchange settlement for foreign currency earnings in capital account of domestic institutions is 100%, subject to adjustment by the SAFE in due time in accordance with international revenue and expenditure situations.

This Appendix summarizes certain aspects of PRC laws and regulations which are relevant to our Company's operations and business. Laws and regulations relating to taxation in the PRC are discussed separately in "Taxation and Foreign Exchange" in Appendix III to this document. This Appendix also contains a summary of laws and regulatory provisions of the PRC Company Law. The principal objective of this summary is to provide potential investors with an overview of the principal laws and regulatory provisions applicable to our Company. This summary is not intended to include all data which is important to the potential investors. For a discussion of laws and regulations which are relevant to our Company's business, see "Regulatory Overview" in this document.

THE PRC LEGAL SYSTEM

The PRC legal system is based on the PRC Constitution (《中華人民共和國憲法》) (the Constitution), which was amended on March 11, 2018, and is made up of written laws, administrative regulations, local regulations, separate regulations, rules and regulations of State Council departments, rules and regulations of local governments, autonomous regulations, separate regulations of autonomous regions, special administrative region law and international treaties and other regulatory documents signed by the PRC government. Court judgments do not constitute legally binding precedents, although they are used for the purposes of judicial reference and guidance.

According to the Constitution and the Legislation Law of the PRC (《中華人民共和國立法法》) (the Legislation Law), which was amended by the National People's Congress (全國人民代表大會) (the "**NPC**") on March 13, 2023 and became effective on March 15, 2023, the NPC and the Standing Committee of National People's Congress (全國人民代表大會常務委員會) (the "**SCNPC**") are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend basic laws governing criminal and civil matters, state organs and other matters. The SCNPC formulates and amends laws other than those required to be enacted by the NPC and to supplement and amend any parts of laws enacted by the NPC during the adjournment of the NPC, provided such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of state administration and has the power to formulate administrative regulations based on the Constitution and laws. The people's congresses of provinces, autonomous regions, municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations. The people's congresses of cities divided into districts and their standing committees may formulate local regulations on matters such as urban and rural construction and management, environmental protection and historical and cultural protection based on the specific circumstances and actual needs of such cities, provided that such local regulations do not contravene any provision of the Constitution, laws, administrative regulations and local regulations of such provinces or autonomous regions. The local regulations of cities divided into autonomous regions shall be submitted for approval before implementation.

The standing committees of the people's congresses of provinces and autonomous regions shall examine the legality of local regulations submitted for approval, and such approval should be granted within four months if they are not in conflict with the Constitution, laws, administrative regulations and local regulations of their provinces and autonomous regions. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in the light of the political, economic and cultural characteristics of the nationality (nationalities) in the areas concerned. The ministries, commissions, PBOC, NAO of the State Council and institutions with administrative functions directly under the State Council may formulate rules and regulations within the jurisdiction of their respective departments based on the laws and the administrative regulations, decisions and rulings of the State Council.

The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations, rules may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of the rules enacted by the people's governments of the provinces and autonomous regions is greater than that of the rules enacted by the people's governments of the cities divided into districts or autonomous prefectures within their respective administrative regions.

The NPC has the power to alter or annul any inappropriate laws enacted by the SCNPC, and to annul any autonomous regulations and separate regulations which have been approved by the SCNPC but contravene the Constitution and the Legislation Law; the SCNPC has the power to annul administrative regulations that contravene the Constitution and laws, to annul local regulations that contravene the Constitution, laws and administrative regulations, and to annul autonomous regulations and separate regulations which have been approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions or municipalities directly under the Central Government but contravene the Constitution and the Legislation Law; the State Council has the power to alter or annul any inappropriate ministerial rules and rules of local governments; the people's congresses of provinces, autonomous regions and municipalities directly under the Central Government have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees; the standing committees of the local people's congresses have the power to annul inappropriate rules enacted by the people's governments at the corresponding level; the people's governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people's governments at a lower level.

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the SCNPC. According to the Decision of the SCNPC Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed by the SCNPC and effective on June 10, 1981, the Supreme People's Court shall give interpretation on questions involving the specific application of laws and decrees in court trials. The Supreme People's Procuratorate shall interpret all issues involving the specific application of laws and decrees in the procuratorial work. Interpretation of questions involving the specific application of laws and decrees in areas unrelated to judicial and procuratorial work shall be interpreted by the State Council and competent authorities.

Where the scope of local regulations needs to be further defined or additional stipulations need to be made, the standing committees of the people's congresses of provinces, autonomous regions and municipalities directly under the Central Government which have enacted these regulations shall provide the interpretations or make the stipulations. Interpretation of questions involving the specific application of local regulations shall be provided by the competent departments of the people's governments of provinces, autonomous regions and municipalities.

PRC JUDICIAL SYSTEM

According to the Constitution and the Law of the PRC of Organization of the People's Courts (《中華人民共和國人民法院組織法》) amended by the SCNPC on October 26, 2018 and becoming effective on January 1, 2019, the PRC People's Court is made up of the Supreme People's Court, the local people's courts, and other special people's courts. The local people's courts are divided into three levels, namely the basic people's courts, the intermediate people's courts and the higher people's courts. The basic people's courts may set up certain people's tribunals based on the status of the region, population and cases. The Supreme People's Court shall be the highest judicial organ of the state. The Supreme People's Court shall supervise the administration of justice by the local people's courts at all levels and by the special people's courts. The people's courts at a higher level shall supervise the judicial work of the people's courts at lower levels.

According to the Constitution and the Law of Organization of the People's Procuratorate of the PRC (《中華人民共和國人民檢察院組織法》) amended by the SCNPC on October 26, 2018 and becoming effective on January 1, 2019, the people's procuratorates are the law supervision organs of the state. The Supreme People's Procuratorate shall be the highest procuratorial organ. The Supreme People's Procuratorate shall direct the work of the local people's procuratorates at all levels and of the special people's procuratorates; the people's procuratorates at higher levels shall direct the work of those at lower levels.

The people's courts employ a two-tier appellate system, and judgments or rulings of the second instance at the people's courts are final. A party may appeal against the judgment or ruling of the first instance of a local people's courts. The people's procuratorate may present a protest to the people's courts at the next higher level in accordance with the procedures stipulated by the laws. In the absence of any appeal by the parties and any protest by the people's procuratorate within the stipulated period, the judgments or rulings of the people's courts are final. Judgments or rulings of the second instance of the intermediate people's courts, the higher people's courts and the Supreme People's Court and those of the first instance of the Supreme People's Court are final. However, if the Supreme People's Court or the people's courts at the next higher level finds any definite errors in a legally effective final judgment or ruling of the people's court at a lower level, or if the chief judge of a people's court at any level finds any definite errors in a legally effective final judgment or ruling of such court, the case can be retried according to judicial supervision procedures.

The PRC Civil Procedure Law (《中華人民共和國民事訴訟法》) adopted by the SCNPC on September 1, 2023 and effective on January 1, 2024 sets forth the requirements for instituting a civil action, the jurisdiction of the people's courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within the PRC must comply with the PRC Civil Procedure Law. Civil cases are generally heard by the courts where the defendants are located. The court of jurisdiction in a civil action may be chosen by express agreement between the parties, provided that the court is located at a place that has direct connection with the dispute, such as the plaintiff's or the defendant's place of domicile, the place where the contract is performed or signed or the object of the action is located. However, the choice of the court cannot be in conflict with the regulations of different jurisdictions and exclusive jurisdictions in any case.

A foreign individual, a person without nationality, a foreign-invested enterprise or a foreign organization must have the same litigation rights and obligations as a PRC citizen, legal person or other organizations when initiating or defending any proceedings at a people's court. If a foreign court limits the litigation rights of PRC citizens and enterprises, the PRC court may apply the same limitations to the citizens and enterprises of such foreign country. A foreign individual, a person without nationality, a foreign-invested enterprise or a foreign organization must engage a PRC lawyer if such person needs to engage a lawyer in initiating or defending any proceedings at a people's court. Under an international treaty or the principle of reciprocity signed or acceded to by the PRC, the people's court and foreign courts may require each other to act on their behalf to serve documents, conduct investigations, collect evidence and take other actions on behalf of each other. If the request by a foreign court would result in the violation of the PRC's sovereignty, security or public interest, the people's court shall decline the request.

All parties must comply with legally effective civil judgments and rulings. If any party to a civil action refuses to comply with a judgment and ruling made by a people's court or an award made by an arbitration tribunal in the PRC, the other party may apply to the people's court for enforcement within two years. Suspension or disruption of the time limit for applying for such enforcement shall comply with the provisions of the applicable law concerning the suspension or disruption of the time-barring of actions.

When a party applies to a people's court for enforcing an effective judgment or ruling by a people's court against a party who is not located within the territory of the PRC or whose property is not within the PRC, the party may apply to a foreign court with proper jurisdiction for recognition and enforcement of the judgment or ruling. A foreign judgment or ruling may also be recognized and enforced by the people's court according to the PRC enforcement procedures if the PRC has entered into, or acceded to, an international treaty with the relevant foreign country, which provides for such recognition and enforcement, or if the judgment or ruling satisfies the court's examination according to the principle of reciprocity, unless among other exceptions, the people's court finds that the recognition or enforcement of such judgment or ruling will result in a violation of the basic legal principles of the PRC, its sovereignty or security, or for reasons of social and public interests.

THE PRC COMPANY LAW, TRIAL MEASURES AND GUIDELINES FOR ARTICLES OF ASSOCIATION

A joint stock limited company established in the PRC seeking a listing on The Stock Exchange of Hong Kong Limited is mainly subject to the following laws and regulations of the PRC.

The PRC Company Law (《中華人民共和國公司法》) (the Company Law), was adopted by the Fifth Standing Committee Meeting of the Eighth NPC on December 29, 1993 and came into effect on July 1, 1994, and was amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023. The latest revised PRC Company Law came into effect on 1 July 2024.

The Trial Administrative Measures for Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Trial Measures**") and its five interpretative guidelines promulgated by the CSRC on February 17, 2023 came into effect on March 31, 2023 and were applicable to the direct and indirect overseas share subscription and listing of domestic companies.

According to the Trial Measures and its interpretative guidelines, where a domestic company directly offers and list overseas, it shall formulate its Articles of Association in line with the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) (the Guidelines for Articles of Association), in place of the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (《到境外上市公司章程必備條款》) which ceased to apply from March 31, 2023. The Guidelines for Articles of Association were promulgated by the CSRC on December 16, 1997 and last amended on March 28, 2025.

Set out below is a summary of the major provisions of the Company Law, the Trial Measures and the Guidelines for Articles of Association which are applicable to our Company.

GENERAL

A joint stock limited company is a corporate legal person established under the Company Law, with its registered capital divided into shares of equal par value. The liability of shareholders is limited to the extent of the shares they subscribe for and the liability of a company is limited to the full value of all the property owned by it.

A company must conduct its business in accordance with laws as well as public morality and commercial ethics. A company may invest in other limited liability companies. The liabilities of the company to such invested companies are limited to the amount invested. Unless otherwise provided by laws, a company cannot be the capital contributor who has the joint liabilities associated with the debts of the invested enterprises.

INCORPORATION

A joint stock limited company may be incorporated by promotion or subscription. A joint stock limited company may be incorporated by a minimum of one but not more than 200 promoters, and at least half of the promoters must have residence within the PRC.

The promoters shall convene an inaugural meeting of the company within 30 days after the share capital has been paid-up and shall notify all subscribers the date of the meeting or make an announcement in this regard 15 days before the meeting. The inaugural meeting may be held only in the presence of promoters and subscribers holding more than 50% of the total number of shares. Powers to be exercised at the inaugural meeting include but not limited to the adoption of Articles of Association and the election of members of the board of directors and the Board of Supervisors of a company. The aforesaid matters shall be resolved by more than 50% of the votes to be cast by subscribers presented at the meeting.

Within 30 days after the conclusion of the inaugural meeting, the board of directors shall apply to the registration authority for the registration of incorporation of the joint stock limited company. A company is formally established and has the status of a legal person after the business license has been issued by the relevant registration authority.

Registered Shares

Under the Company Law, shareholders may make capital contributions in cash, or with non-monetary property that may be valued in money and legally transferred, such as contribution in kind or with an intellectual property right, land use rights, shareholding or claims.

The Trial Measures provides that domestic enterprises that are listed overseas may raise funds and distribute dividends in foreign currencies or Renminbi.

Under the Company Law, a joint stock limited company is required to maintain a register of shareholders, detailing the following information: (i) the name and domicile of each shareholder; (ii) the class and number of shares subscribed for by each shareholder; (iii) the serial number of shares if issued in paper form; and (iv) the date on which each shareholder acquired the shares.

Allotment and Issue of Shares

All issuances of shares of a joint stock limited company shall be based on the principles of equality and fairness. The same class of shares must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. A joint stock limited company may issue shares at par value or at a premium, but it may not issue shares below the par value.

Domestic enterprises issued and listed overseas shall file with the CSRC in accordance with the Trial Measures, submit filing reports, legal opinions and other relevant materials, and truthfully, accurately and completely explain shareholders information and other information. Where a domestic enterprise directly issues and is listed overseas, the issuer itself shall file with the CSRC. If a domestic enterprise is indirectly listed overseas, the issuer shall designate a major domestic operating entity as the domestic person responsible and file with the CSRC.

Increase in Share Capital

Under the Company Law, in the case of a joint stock limited company issuing new shares, resolutions shall be passed at the Shareholders' meeting in respect of the following matters:

(i) the class and number of new shares;

(ii) the issue price of the new shares;

(iii) the commencement and end dates for the issuance of new shares;

(iv) the class and number of the new shares proposed to be issued to original shareholders; and

(v) If no par value stock is issued, the proceeds from the issuance of the new stocks shall be included in the registered capital.

If a company intends to make public offering of shares, it is required to complete the registration with the securities regulatory authority of the State Council and announce the document.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law:

(i) to prepare a balance sheet and a property list;

(ii) a company makes a resolution at Shareholders' meeting to reduce its registered capital;

(iii) a company shall inform its creditors within 10 days and publish an announcement in newspapers or the National Enterprise Credit Information Publicity System within 30 days from the date on which the resolution of reducing registered capital is made;

(iv) the creditors shall have the right to require a company to repay its debts or provide corresponding guarantees within 30 days after receiving the notice or within 45 days after the announcement if the creditors have not received the notice;

(v) when a company reduces its registered capital, it shall register the change with a company registration authority in accordance with the law.

When a company reduces its registered capital, it must reduce the amount of capital contribution or shares in proportion to the capital contribution or shares held by the shareholders, unless otherwise prescribed by any law, or agreed upon by all the shareholders of a limited liability company, or as specified in the Articles of Association of a joint stock limited company.

Share Buy-Back

Under the Company Law, a company shall not purchase its own shares. Except for any following circumstances:

(i) reducing the registered capital;

(ii) merging with other company that holds the shares of the company;

(iii) using the shares for employee stocks plan or equity incentives;

(iv) with respect to shareholders voting against any resolution adopted at the Shareholders' meeting on the merger or division of our Company, the right to demand our Company to acquire the shares held by them;

(v) using the shares for the conversion of convertible corporate bonds issued by the listed company;

(vi) as required for maintenance of the corporate value and shareholders' rights and interests of a listed company.

The purchase of shares of a company for reasons specified in the case of (i) to (ii) above shall be subject to the resolution of the Shareholders' meeting; the purchase of shares of a company for reasons specified in the case of (iii), (v) and (vi) above shall be subject to the resolution of the board meetings attended by more than two-thirds of the directors in accordance with the provisions of the Articles of Association or the authorization from the Shareholders' meeting.

Following the purchase of a company's shares by a company in accordance with the above provisions, such shares shall be canceled within 10 days from the date of buy-back in the case of item (i) above; such shares shall be transferred or canceled within six months in the case of items (ii) and (iv) above; the total numbers of share of our Company held by a company shall not exceed 10% of the total issued shares of our Company, and shall be transferred or canceled within three years in the case of items (iii), (v) and (vi) above.

Where a listed company acquires the shares of the Company, it shall perform the obligation of information disclosure in accordance with the Securities Law. Where purchasing the Company's shares pursuant to any of the circumstances set forth in items (iii), (v) and (vi) of this article shall carry out trading in a public and centralized manner.

The Company shall not accept its own shares as the subject of a pledge.

Transfer of Shares

Shares held by a shareholder may be transferred according to the law. Under the Company Law, a shareholder should affect a transfer of his shares on securities exchange established according to the law or by any other means as required by the State Council. Registered shares may be transferred by endorsement of shareholders or by other means stipulated by laws or administrative regulations. After the transfer, a company shall record the name and address of the transferee in the register of shareholders. No changes of registration in the share register provided in the foregoing requirement shall be affected during a period of 20 days prior to the convening of Shareholder's meeting or 5 days prior to the record date for a company's distribution of dividends. If any law, administrative regulation, or any provision by the securities regulatory authority of the State Council specifies otherwise for the registration of changes to the register of shareholders of a listed company, such provisions should prevail.

Under the Company Law, shares issued by a company prior to the public offering of shares shall not be transferred within one year from the date on which the shares of the company are listed and traded on a securities exchange. The directors, supervisors and senior management of the company should declare to the company the shares they hold and the changes thereof. During the term of office as determined when they assume the posts, the shares transferred each year should not exceed 25% of the total shares they hold of the company. Shares of a company held by its directors, supervisors and senior management shall not be transferred within one year from the date of a company's listing on a securities exchange, nor within six months after their resignation from their positions with the company.

If the shares are pledged within the time limit for restricted transfer as provided for by laws and administrative regulations, the pledgee cannot exercise the pledge right within such restricted period.

Shareholders

Under the Company Law and Guidelines for Articles of Association the rights of a shareholder of a company include:

(i) to receive dividends and other forms of interest distribution according to the number of shares held;

(ii) to legally require, convene, preside over, participate in or authorize proxies of Shareholders to attend the Shareholders' meeting and exercise corresponding voting rights;

(iii) to supervise business operations of the company, provide suggestions or submit queries;

(iv) to transfer, grant or pledge the Company's shares held according to the provisions of the laws, administrative regulations and the Articles of Association;

(v) to read and copy the Articles of Association, the register of Shareholders, Shareholders' meeting minutes, resolutions of meetings of the board of directors, resolutions of meetings of the Board of Supervisors and financial and accounting reports;

(vi) shareholders who hold more than 3% of the Company's shares individually or collectively for more than 180 consecutive days may inspect the Company's accounting books and accounting vouchers in accordance with laws;

(vii) to participate in the distribution of the remaining assets of the company according to the proportion of shares held upon our termination or liquidation;

(viii) to require our company to acquire the shares from Shareholders voting against any resolutions adopted at the Shareholders' meeting concerning the merger and division of the company;

(ix) other rights conferred by laws, administrative regulations, departmental rules, regulatory rules where the Company's shares are listed, or the Articles of Association.

The obligations of a shareholder of a company include:

(i) to abide by laws, administrative regulations and the Articles of Association;

(ii) to provide share capital according to the shares subscribed for and share participation methods;

(iii) not to withdraw shares unless. prescribed otherwise in laws and administrative regulations;

(iv) not to abuse shareholders' rights to infringe upon the interests of the company or other shareholders; not to abuse the Company's status as an independent legal entity or the limited liability of shareholders to damage the interests of the Company's creditors;

(v) to perform other duties prescribed in laws, administrative regulations, departmental rules, and the securities regulatory rules of the place where the Company's shares are listed.

Shareholder's Meetings

Under the Company Law, the Shareholders' meeting of a joint stock limited company is made up of all shareholders. The Shareholders' meeting is the organ of authority of a company, which exercises the following functions and powers:

(i) to elect and replace directors and supervisors and to decide on matters relating to the remuneration of directors and supervisors;

(ii) to examine and approve reports of the board of directors;

(iii) to examine and approve reports of the Board of Supervisors;

(iv) to examine and approve a company's profit distribution plans and loss recovery plans;

(v) to resolve on the increase or reduction of a company's registered capital;

(vi) to resolve on the issuance of corporate bonds;

(vii) to resolve on the merger, division, dissolution, liquidation or change of corporate form of a company;

(viii) to amend the Company's Articles of Association;

(ix) other functions and powers specified in provision of the Articles of Association.

Under the Company Law, annual Shareholders' meetings are required to be held once every year. An extraordinary Shareholders' meeting is required to be held within two months after the occurrence of any of the following circumstances:

(i) the number of directors is less than the number stipulated in the Company Law or less than two-thirds of the number specified in the Articles of Association;

(ii) when the unrecovered losses of a company amount to one-third of the total paid-up share capital;

(iii) shareholders individually or jointly holding 10% or more of the Company's shares request;

(iv) when deemed necessary by the board of directors;

(v) the Board of Supervisors proposes to convene the meeting;

(vi) other circumstances as stipulated in the Articles of Association.

Shareholders' meeting shall be convened by the board of directors, and presided over by the chairperson of the board of directors. In the event that the chairperson is incapable of performing or not performing his duties, the meeting shall be presided over by the vice chairperson. In the event that the vice chairperson is incapable of performing or not performing his duties, a director nominated by more than half of directors shall preside over the meeting.

If the board of directors is incapable of performing or is not performing its duties to convene the Shareholders' meeting, the Board of Supervisors should convene and preside over Shareholders' meeting in a timely manner. If the Board of Supervisors fails to convene and preside over Shareholders' meeting, shareholders individually or in aggregate holding 10% or more of the Company's shares for more than 90 days consecutively may unilaterally convene and preside over Shareholders' meeting.

If the shareholders who separately or aggregately hold more than 10% of the shares of the company request to convene an extraordinary Shareholders' meeting, the board of directors and the Board of Supervisors should, within 10 days after the receipt of such request, decide whether to convene an extraordinary Shareholders' meeting and reply to the shareholders in writing.

Notice of Shareholders' meeting shall state the time and venue of and matters to be considered at the meeting and shall be given to all shareholders 20 days before the convening of the meeting. A notice of extraordinary meeting shall be given to all shareholders 15 days prior to the convening of the meeting.

Shareholders who individually or jointly hold more than 1% of the Company's shares may put forward interim proposals and submit them to the convener in writing 10 days before the convening of the Shareholders' meeting. The convener shall issue a supplementary notice of the Shareholders' meeting within two days after receiving the proposals and announce the contents of the interim proposals.

Under the Company Law, a shareholder may entrust a proxy to attend a Shareholders' meeting, and it should clarify the matters, power and time limit of the proxy. The proxy shall present a power of attorney issued by the shareholder to a company and shall exercise his voting rights within the scope of authorization. There is no specific provision in the Company Law regarding the number of shareholders constituting a quorum in a Shareholders' meeting.

Under the Company Law, shareholders present at a Shareholders' meeting have one vote for each share they hold, except the shareholders of classified shares. However, shares held by the company itself are not entitled to any voting rights.

The cumulative voting system may be adopted for the election of directors and supervisors at the Shareholders' meeting in accordance with the provisions of the Articles of Association or the resolutions of the Shareholders' meeting. Under the accumulative voting system, each share shall have the same number of voting rights as the number of directors or supervisors to be elected at the Shareholders' meeting, and shareholders may consolidate their voting rights when casting a vote.

Under the Company Law and the Guidelines for Articles of Association, the passing of any resolution requires affirmative votes of shareholders representing more than half of the voting rights represented by the shareholders who attend the Shareholders' meeting. Matters relating to merger, division or dissolution of a company, increase or reduction of registered capital, change of corporate form or amendments to the Articles of Association must be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

Directors

Under the Company Law, a joint stock limited company should have a board of directors, which consists of more than three members. The term of office of a director shall be stipulated in the Articles of Association, but each term of office shall not exceed three years. Directors may serve consecutive terms if re-elected.

Meetings of the board of directors shall be convened at least twice a year. All directors and supervisors shall be notified 10 days before the meeting for every meeting. The board of directors exercises the following functions and powers:

(i) to convene Shareholder's meetings and report its work to the Shareholder's meetings;

(ii) to implement the resolutions of the Shareholder's meeting;

(iii) to decide on a company's business plans and investment plans;

(iv) to formulate a company's profit distribution plan and loss recovery plan;

(v) to formulate proposals for the increase or reduction of a company's registered capital and the issue of corporate bonds;

(vi) to formulate plans for merger, division, dissolution or change of corporate form of a company;

(vii) to decide on the internal management structure of a company;

(viii) to decide on the appointment or dismissal of the manager of a company and their remuneration; to decide on the appointment or dismissal of the deputy manager and financial officer of a company based on the nomination of the manager and as well as remuneration;

(ix) to formulate a company's basic management system;

(x) other functions and powers specified in the Articles of Association or approved by the Shareholders' meeting.

The board meetings shall be held only if more than half of the directors are present. If a director is unable to attend a board meeting, he/she may appoint another director by a power of attorney specifying the scope of the authorization for another director to attend the meeting on his behalf. If a resolution of the board of directors violates the laws, administrative regulations or the Articles of Association, and as a result of which the company suffers serious losses, the directors participating in the resolution shall be liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be exempt from such liability.

Under the Company Law, a person may not serve as a director of a company if he/she is:

(i) a person without capacity or with restricted capacity;

(ii) a person who has been sentenced to any criminal penalty due to an offense of corruption, bribery, encroachment of property, misappropriation of property, or disrupting the order of the socialist market economy, or has been deprived of political rights due to a crime, where a five-year period has not elapsed since the date of completion of the sentence; if he/she is pronounced for suspension of sentence, a two-year period has not elapsed since the expiration of the suspension period;

(iii) a person who is a former director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation and is personally liable for the insolvency of such company or enterprise, where less than 3 years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;

(iv) a person who is a former legal representative of a company or enterprise which had its business license revoked and had been ordered to close down due to a violation of the law and who incurred personal liability, where less than 3 years has elapsed since the date of the revocation of the business license and was ordered to close; and

(v) a person, who is listed as "defaulters" by the People's Court due to a relatively large amount of debts due and outstanding;

The Board shall have one chairman of the Board, who shall be elected by more than half of all the directors. The chairman of the Board shall exercise the following functions and powers (including but not limited to):

(i) to preside over Shareholders' meeting and convene and preside over Board meetings;

(ii) to examine the implementation of resolutions of the Board;

(iii) to exercise other powers conferred by the Board.

Supervisors

Under the Company Law, a joint stock limited company shall establish a Board of Supervisors composed of not less than three members. The Board of Supervisors shall comprise shareholder representatives and an appropriate proportion of the Company's employee representatives, of which the proportion of employee representatives shall not be less than one-third and the specific proportion shall be stipulated in the Articles of Association. Employee representatives of the Board of Supervisors shall be democratically elected by the Company's employees at the employee representative assembly, employee general meeting or otherwise. Directors or senior management members may not act concurrently as supervisors.

The Board of Supervisors exercises the following powers:

(i) to examine the Company's financial affairs;

(ii) to supervise the Directors and senior management in their performance of their duties and to propose the removal of Directors and senior management who have violated laws, administrative regulations, the Articles of Association or resolutions of Shareholders' meeting;

(iii) to demand rectification by a Director or senior management when the acts of such persons are harmful to the Company's interests;

(iv) to propose the convening of extraordinary general meetings, and to convene and preside over Shareholders' meeting when the Board fails to perform the duty of convening and presiding over Shareholders' meeting under the Company Law;

(v) to submit proposals to the Shareholders' meeting;

(vi) to initiate legal proceedings against Directors and senior management in accordance with the Company Law;

(vii) other functions and powers specified in the Articles of Association.

A joint-stock company may, instead of setting up the Board of Supervisors, in accordance with the provisions of its Articles of Association, set up an Audit Committee consisting of Directors on its Board of Directors to exercise the powers and functions of the Board of Supervisors.

On December 27, 2024, the CSRC promulgated the Transitional arrangements relating to the implementation of the rules under the new Company Law (《關於新<公司法>配套制度規則實施相關過渡期安排》), Listed companies shall, before January 1, 2026, in accordance with the Company Law, the Implementing Rules and the supporting rules issued by the CSRC, provide in the Articles of Association for the establishment of an Audit Committee under the Board of Directors to exercise the powers and functions of the Board of Supervisors as prescribed by the Company Law, and shall cease to have a Board of Supervisors or supervisors. Prior to the completion of the adjustment to the internal supervision mechanism, the Board of Supervisors or supervisors of listed companies shall continue to comply with the original regulatory rules issued by the CSRC.

Managers and Senior Management

Under the Company Law, a company should have a manager who is appointed or removed by the Board. The manager is responsible to the Board and exercises his/her functions and powers according to the Articles of Association or the authorization of the Board. The manager attends the meetings of the Board as a non-voting member.

According to the Company Law, senior management shall refer to the managers, deputy managers, financial controller, secretary of the Board and other personnel as stipulated in the Articles of Association.

Duties of Directors, Supervisors and Senior Management

Directors, supervisors and senior management members of the Company are required under the Company Law to comply with the relevant laws, regulations and the Articles of Association, and owe fiduciary and diligent duties to the Company. Directors, supervisors and senior management are prohibited from abusing their powers to accept bribes or other illegal income and from misappropriating the Company's properties.

Directors, supervisors and senior management are prohibited from:

(i) embezzling the Company's property or misappropriating the Company's funds;

(ii) depositing the Company's funds into accounts under their own names or the names of other individuals;

(iii) accepting bribes or any other illegal proceeds by taking advantage of their powers;

(iv) accepting and possessing commissions paid by a third party for transactions conducted with the Company;

(v) disclosing the Company's business confidential information without authorization; or

(vi) other acts in violation of their fiduciary duty to the Company.

If any Director, supervisor or senior management directly or indirectly concludes a contract or conducts a transaction with the Company, he/she should report the matters relating to the conclusion of the contract or transaction to the Board or Shareholders' meeting, subject to the approval of the Board or Shareholders' meeting according to the Articles of Association.

The provisions of the preceding paragraph shall apply if any near relatives of the Directors, supervisors or senior management, or any of the enterprises directly or indirectly controlled by the Directors, supervisors or senior management or any of their near relatives, or any related parties with any other related-party relationship with the Directors, supervisors or senior management, concludes a contract or conducts a transaction with the Company.

Neither Directors, supervisors nor senior management may take advantage of their positions to seek any business opportunity that belongs to the Company for themselves or any other person except under the following circumstances:

(i) where they have reported to the Board or the Shareholders' meeting and the matter has been approved by a resolution of the Board or the Shareholders' meeting according to the Articles of Association; or

(ii) where the Company cannot make use of the business opportunity as stipulated by laws, administrative regulations or the Articles of Association.

Where any Director, supervisor or senior management fails to report to the Board or the Shareholders' meeting and obtains approval by a resolution of the Board or the Shareholders' meeting according to the Articles of Association, he/she may not engage in any business that is similar to that of the Company where he/she serves for himself/herself or for any other person.

A Director, supervisor or senior management who contravenes the regulations of any laws, regulations or the Articles of Association in the performance of his/her duties, thus causing any loss to the Company, shall be personally liable for the damages to the Company.

Finance and Accounting

Under the Company Law, the Company shall establish its financial and accounting systems according to the laws, administrative regulations and the regulations of the financial department of the State Council. At the end of each fiscal year, the Company shall prepare a financial and accounting report which shall be audited by an accounting firm in accordance with the law. The financial and accounting report shall be prepared in accordance with the laws, administrative regulations and the regulations of the financial department of the State Council.

A joint stock limited company shall make its financial and accounting reports available at the company for inspection by the shareholders 20 days before the convening of an annual Shareholders' meeting. A joint stock limited company issuing its shares in public must publish its financial and accounting reports.

When distributing each year's after-tax profits, the Company shall set aside 10% of its profits into its statutory reserve fund. The Company can no longer withdraw statutory reserve fund if its statutory reserve fund has accumulated to more than 50% of the registered capital. If the statutory reserve fund of the Company is insufficient to make up for the losses of the previous years, the current year profits shall be used to make up for the losses before making allocations to the statutory reserve in accordance with the preceding paragraph. After the Company has made an allocation to the statutory reserve fund from its after-tax profit, it may also make an allocation to the discretionary reserve fund from its after-tax profit upon a resolution of the meeting or the Shareholders' meeting.

A joint stock limited company may distribute profits in proportion to the number of shares held by its shareholders, except for profit distributions that are not in proportion to the number of shares held in accordance with the provisions of the Articles of Association of the joint stock limited company.

The premium over the nominal value of the shares of a joint stock limited company from the issue of shares, the amount of share proceeds from the issuance of no-par shares that have not been credited to the registered capital and other incomes required by the financial department of the State Council to be treated as the capital reserve fund shall be accounted for as the capital reserve fund of the Company.

The reserve fund of the Company shall be used to make up losses of the Company, expand the production and operation of the Company or increase the capital of the Company. Where the reserve fund of a company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions. When the statutory reserve fund is converted to increase registered capital, the balance of the statutory reserve fund shall not be less than 25% of the registered capital before such conversion.

The company shall not keep accounting books other than those provided by law. The capital of the Company shall not be kept in an account opened in the name of any individual.

Appointment and Dismissal of Accounting Firms

Pursuant to the Company Law, the engagement or dismissal of an accounting firm responsible for the Company's auditing shall be determined by the Shareholders' meeting, the Board or the Board of Supervisors in accordance with the Articles of Association. The accounting firm shall be allowed to make representations when the meeting, the Board or the Board of Supervisors votes on the dismissal of the accounting firm. The Company shall provide true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting materials to the engaged accounting firm, and shall not refuse, conceal and make false statements.

The Guidelines for the Articles of Association (《公司章程指引》) provide that the Company guarantees to provide true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting materials to the engaged accounting firm, and shall not refuse, conceal or make false statements. The audit fee of the accounting firm shall be decided by the Shareholders' meeting.

Profit Distribution

When the Company distributes the after-tax profits of the current year, it shall allocate 10% of the profits into the statutory reserve fund. If the accumulated amount of the statutory reserve fund reaches 50% of the registered capital, the Company is released from the obligation of withholding statutory reserve fund. Where the statutory reserve fund of the company is not sufficient to recover its losses in

the previous years, the profits of the current year shall be used to make up the loss before the withdrawal of the statutory reserve fund in accordance with the above provisions. After making allocation to the statutory provident fund of the Company from its after-tax profits, the Company may, subject to resolutions adopted at the Shareholders' meeting, also allocate funds from the after-tax profits to the discretionary provident fund. The residual after-tax profits after a company has made up its losses and accrued reserve can be distributed by the company in proportion to the shares held by its shareholders, except as otherwise provided for in the company's Articles of Association. The company shall not distribute any profits in respect of the shares held by it.

Where the Company distributes profits to shareholders in violation of the provisions of the Company Law, the shareholders shall return the profits distributed in violation of the provisions to the Company. If losses are caused to the Company, the shareholders, as well as the responsible directors, supervisors and senior management, shall bear liability for compensation.

If the Shareholders' meeting resolves to distribute profits, the Board of Directors shall do so within six months after the resolution is made.

Dissolution and Liquidation

According to the Company Law, a company shall be dissolved for the following reasons:

(i) expiry of the term of business provided in the Articles of Association or other reasons for dissolution as specified in the Articles of Association;

(ii) a resolution on dissolution is passed by a meeting or a Shareholders' meeting;

(iii) dissolution is required due to the merger or division of the Company;

(iv) the business license of the Company is revoked or the Company is ordered to close down or dissolved in accordance with the laws;

(v) the Company suffers significant hardships in operation and management, and its continued existence would cause significant losses to Shareholders' interests, and such issues cannot be resolved through other means, shareholders who hold more than 10% of the total shareholders' voting rights of the company may plead the court to dissolve the Company.

If any of the situations as mentioned in the preceding paragraph arises, a company shall publicize the situations through the National Enterprise Credit Information Publicity System within 10 days.

Where the company is dissolved pursuant to sub-paragraph (i) above, it may carry on its existence by amending its Articles of Association or upon a resolution of the Shareholders' meeting, which must be approved by more than two-thirds of the voting rights held by the shareholders present at the Shareholders' meeting. Where the company is dissolved pursuant to sub-paragraphs (i), (ii), (iv) or (v) above, it shall be liquidated. The directors, who are the liquidation obligors of the company, shall form a liquidation group to carry out liquidation within 15 days from the date of occurrence of the cause of dissolution. The liquidation group shall be composed of the directors, unless it is otherwise provided in the company's Articles of Association or it is otherwise elected by the Shareholders' meeting. The liquidation obligors shall be liable for compensation if they fail to fulfill their obligations of liquidation in a timely manner, and thus any loss is caused to the company or the creditors.

The liquidation group fails to be formed within the time limit or fails to carry out the liquidation after its formation, any interested party may request the people's court to designate relevant persons to form a liquidation group. The people's court shall accept such request and organize a liquidation group to carry out the liquidation in a timely manner.

The liquidation committee shall exercise the following functions and powers during the liquidation period:

(i) to liquidate the company's property and respectively prepare balance sheet and list of property;

(ii) to notify creditors by notice or public announcement;

(iii) to deal with the outstanding business of the company involved in the liquidation;

(iv) to pay all outstanding taxes and taxes arising in the course of liquidation;

(v) to liquidate claims and debts;

(vi) distributing the remaining property of the company after paying off debts;

(vii) to participate in civil litigations on behalf of the company.

The liquidation group shall notify the company's creditors within ten days as of its formation and shall make a public announcement in the newspaper or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall file their proofs of claim with the liquidation group within 30 days as of the receipt of the notice or within 45 days as of the issuance of the public announcement in the case of failing to receive such notice.

The remaining property of the company after the payment of liquidation expenses, employees' wages, social insurance expenses and statutory compensation, outstanding taxes and the company's debts, shall be distributed to shareholders in proportion to their shareholdings.

During the liquidation period, the company shall continue to exist but shall not carry out any business activities unrelated to the liquidation. The company's assets shall not be distributed to the shareholders before the liquidation in accordance with the preceding paragraph.

If the liquidation group, having thoroughly examined the company's assets and having prepared a balance sheet and an inventory of assets, discovers that the company's assets are insufficient to pay its debts in full, it shall file an application to a people's court for bankruptcy liquidation. After the people's court accepts the application for bankruptcy, the liquidation group shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

Upon completion of the liquidation, the liquidation group shall prepare a liquidation report to be submitted to the Shareholders' meeting or the people's court for confirmation, and submit to the company registration authority to apply for cancelation of the company's registration.

The members of the liquidation group performing their duties of liquidation are obliged to loyalty and diligence. Any member of the liquidation group who neglects to fulfill his/her liquidation duties, thus causing any loss to the company shall be liable for compensation, and any member of the liquidation group who cause any loss to any creditor due to his/her intentional or gross negligence shall be liable for compensation.

Where, after three years since the business license of a company is revoked, or the company is ordered to close down or is revoked, the company fails to apply for its deregistration with the company registration authority, the said authority may announce the company's deregistration through the National Enterprise Credit Information Publicity System for a period of no less than 60 days. If there is no objection after the announcement period expires, the company registration authority may deregister the company.

Overseas Listing

According to the Trial Measures, where an issuer makes an overseas initial public offering or listing, it shall file with the CSRC within 3 working days after submitting the application documents for overseas issuance and listing. If an issuer issues securities in the same overseas market after overseas issuance and listing, it shall file with the CSRC within 3 working days after the completion of the issuance. If an issuer issues and lists in other overseas markets after overseas issuance and listing, it shall be filed in accordance with the provisions of the first paragraph of this article. Moreover, if the filing materials are complete and meet the requirements, the CSRC shall complete the filing within 20 working days from the date of receiving the filing materials, and publicize the filing information through the website. If the filing materials are incomplete or do not meet the requirements, the CSRC shall inform the issuer of the materials to be supplemented within 5 working days after receiving the filing materials. The issuer shall supplement the materials within 30 working days.

Suspension and Termination of Listing

The Company Law has deleted provisions governing suspension and termination of listing. The Securities Law of the PRC (《中華人民共和國證券法》) (the PRC Securities Law) has also deleted provisions regarding suspension of listing. Where listed securities fall under the delisting circumstances stipulated by the stock exchange, the stock exchange shall terminate its listing and trading in accordance with the business rules.

According to the Trial Measures, in case of active or compulsory termination of listing, the issuer shall report the specific situation to the CSRC within 3 working days from the date of occurrence and announcement of the relevant matters.

SECURITIES LAW AND REGULATIONS

In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities-related institutions in the PRC and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions of securities markets, supervising securities companies, regulating public offers of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities-related statistics and undertaking research and analysis. On March 29, 1998, the State Council consolidated the above two departments and reformed the CSRC.

The Provisional Regulations for the Administration of Issuing and Trading of Shares (《股票發行與交易管理暫行條例》), promulgated by the State Council and effective on April 22, 1993, provide the application and approval procedures for public offerings of shares, trading in shares, the acquisition of listed companies, the deposit, settlement and transfer of listed shares, the disclosure of information with respect to a listed company, investigation and penalties and dispute arbitration.

The Regulations of the State Council Concerning the Domestic Listed Foreign Shares of Joint Stock Limited Companies (《國務院關於股份有限公司境內上市外資股的規定》), which were promulgated by the State Council and came into effect on December 25, 1995, mainly provide for the issue, subscription, trading and payment of dividends of domestic listed foreign shares and disclosure of information of joint stock limited companies with domestic listed foreign shares.

The PRC Securities Law, which was amended by the SCNPC on December 28, 2019 and came into effect on March 1, 2020, provides a series of provisions regulating, among other things, the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of the State Council's securities regulatory authorities in the PRC, and comprehensively regulates activities in the PRC securities market. The PRC Securities Law provides that a domestic enterprise must comply with the relevant provisions of the State Council in issuing securities directly or indirectly outside the Chinese Mainland or listing and trading its securities outside the Chinese Mainland. Currently, the issue and trading of foreign issued shares are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

Under the Arbitration Law of the PRC (《中華人民共和國仲裁法》), (the "**Arbitration Law**"), which was promulgated by the NPCSC on August 31, 1994, revised on September 1, 2017 and effective on of January 1, 2018, and revised for the latest time on September 12, 2025 to take effect on March 1, 2026, the Arbitration Law is applicable to economic disputes involving foreign parties, and all parties have entered into a written agreement to refer the matter to an arbitration committee constituted in accordance with the Arbitration Law. An arbitration committee may, before the PRC Arbitration Association formulates the arbitration rules, formulate interim arbitration rules in accordance with relevant regulations under the Arbitration Law and the PRC Civil Procedure Law. Where both parties have agreed to settle disputes by means of arbitration, the people's court will refuse to take legal action brought by a party in the people's court.

Under the Arbitration Law, an arbitral award is final and binding on the parties. If a party fails to comply with an award, the other party to the award may apply to the people's court for enforcement according to the PRC Civil Procedure Law. A people's court may refuse to enforce an arbitral award made by an arbitration commission if there is any procedural irregularity (including irregularity in the composition of the arbitration committee or the making of an award on matters beyond the scope of the arbitration agreement or the jurisdiction of the arbitration commission). A party seeking to enforce an arbitral award of foreign arbitration commission against a party who or whose property is not within the PRC shall apply to a foreign court with jurisdiction over the case for recognition and enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognized and enforced by the people's court in accordance with the principles of reciprocity or any international treaty concluded or acceded to by the PRC.

The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "**New York Convention**") adopted on June 10, 1958, pursuant to a resolution passed by the SCNPC on December 2, 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognized and enforced by other parties thereto subject to their rights to refuse recognition and enforcement under certain circumstances, including against the public policy of that state. At the time of the PRC's accession to the Convention, the SCNPC declared that: (i) the PRC would only apply the Convention to the recognition and enforcement of arbitral awards made in the territories of other parties based on the principle of reciprocity; and (ii) the New York Convention will only be applied to disputes deemed under PRC laws to be arising from contractual or non contractual mercantile legal relations.

According to the Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排》) promulgated by the Supreme People's Court on January 24, 2000 and effective on February 1, 2000, and the Supplementary Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) promulgated by the Supreme People's Court on November 26, 2020 and effective on November 27, 2020, awards made by Chinese Mainland arbitral authorities can be enforced in Hong Kong, and Hong Kong arbitration awards are also enforceable in Chinese Mainland. Enforcement of an award made by a Hong Kong arbitral institution in the PRC may be refused if a PRC court determines that enforcement of the award in the PRC would be contrary to the public interest of the PRC society, or if a Hong Kong Special Administrative Region (HKSAR) court determines that enforcement of the arbitral award in the HKSAR would be contrary to the public policy of the HKSAR. Before or after accepting an application for enforcement of an arbitral award, the court concerned may, upon application and in accordance with the law of the place where the arbitral award is to be enforced, take measures of preservation or enforcement.

APPENDIX SUMMARY OF THE ARTICLES

The main purpose of this Appendix is to provide **[REDACTED]** with an overview of the Articles of Association of the Company. As the data below is only a summary, it may not contain all the information that is important for **[REDACTED]**.

SHARES

Issue of Shares

Shares of the Company shall take the form of share certificates.

The Company shall issue shares in an fair and just manner, and each share of the same class shall have the same rights.

Shares of the same class issued at the same time shall be issued on the same conditions and at the same price. Any entity or individual shall pay the same price for each of the shares for which it or he or she subscribes for.

Increase, Decrease and Repurchase of Shares

The Company may, based on its operation and development needs and in accordance with the laws and regulations, increase its capital in the following ways, subject to separate resolutions of the shareholders' general meeting:

(i) Issuance of shares to specific investors;

(ii) Issuance of shares to non-specific investors;

(iii) Bonus shares to existing shareholders;

(iv) Transfer of capital by public reserves;

(v) Other methods as stipulated by laws and administrative regulations and required by CSRC.

The Company may reduce its registered capital. Any reduction of registered capital by the Company shall be subject to the Company Law, other relevant requirements and procedures prescribed in the Articles.

The Company may, in accordance with applicable laws, administrative regulations, departmental rules and the provisions of the Articles, repurchase its own shares under the following circumstances:

(i) Reducing registered capital of the Company;

(ii) Merging with another company holding shares of the Company;

(iii) Using shares for employee stock ownership plan or equity incentives;

(iv) Acquisition of shares of shareholders (upon their request) who vote against any resolution proposed in any General Meeting on the merger or division of the Company;

(v) Using shares for converting convertible corporate bonds issued by the Company into shares of the Company;

(vi) Safeguarding corporate value and shareholders' interests as the Company deems necessary;

Except for the circumstances set out above, the Company shall not engage in any purchase or sale of its own shares.

The Company may acquire its shares through public centralized trading or other ways as permitted by the laws, regulations, and the CSRC.

Where the Company acquires its shares under any circumstances prescribed in items (iii), (v) and (vi) above, such acquisition shall be conducted through public centralized trading.

Where the Company acquires its shares under any circumstances prescribed in items (i) and (ii) above, such acquisition shall require a resolution of a General Meeting. Where the Company acquires its shares under any circumstances prescribed in items (iii), (v) and (vi) above, such acquisition shall require a resolution of a board meeting attended by at least two-thirds of the Directors.

Where the Company acquires its shares under the circumstances prescribed in item (i) above, such shares shall be cancelled within 10 days from the date of acquisition. Where the shares are acquired under the circumstances prescribed in items (ii) and (iv) above, such shares shall be transferred or cancelled within 6 months. Where the shares are acquired under the circumstances prescribed in items (iii), (v) and (vi) above, the aggregate number of the shares held by the Company shall not exceed 10% of the total shares issued by the Company, and such shares shall be transferred or cancelled within 3 years.

Transfer of Shares

Shares issued by the Company prior to the public offering of shares shall not be transferred within one year from the date on which the Company's shares are listed and traded on the Hong Kong Stock Exchange.

The Company shall not accept its own shares as the subject matter of any pledge.

The Directors and senior management of the Company shall declare to the Company their shareholdings of the Company and the changes thereof and shall not transfer in excess of 25% of the total number of shares of the same class they hold in the Company during the term of office determined at the time of their appointment. The shares they hold in the Company shall not be transferred within 1 year of the date on which the shares of the Company are listed on the stock exchange. The shares of the Company held by aforesaid persons shall not be transferred within half a year from the date of their resignation.

If any director or senior management of the Company, or any shareholder holding more than 5% of the Company's shares, sells the Company's shares within six months after purchasing them or repurchases them within six months after selling them, the gains derived therefrom shall belong to the Company, and the board of directors of the Company shall recover such gains. However, this does not apply where a securities company holds more than 5% of the shares due to the remaining shares after underwriting, or where other circumstances stipulated by the CSRC apply.

SHAREHOLDERS AND SHAREHOLDERS' MEETING

General Provisions of Shareholders

The Company shall establish a register of members in accordance with the certificates provided by the securities registration institution. The register of members shall be sufficient evidence of the shareholders' shareholdings in the Company. Shareholders enjoy rights and assume obligations according to the types of shares they hold. Shareholders holding the same kind of shares shall enjoy the same rights and undertake the same obligations.

Shareholders of the Company shall enjoy the following rights:

(i) the right to receive dividends and other distributions of interests in proportion to the number of shares held;

(ii) make request to, hold, convene, preside over, attend or appoint proxies to attend the General Meeting in accordance with the law and to exercise the corresponding right to vote;

(iii) the right to supervise, present proposals or raise enquiries in respect of the Company's operations;

(iv) the right to transfer, give as a gift or pledge the shares it holds in accordance with laws, administrative regulations and the Articles;

(v) the right to inspect and copy the Articles, register of members, minutes of General Meetings, resolutions of the meetings of the Board of Directors and financial and accounting reports; shareholders individually or together holding 3% or more of the shares of the Company for more than 180 consecutive days may inspect the accounting books and the accounting documents of the Company;

(vi) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining property of the Company in proportion to the number of shares held;

(vii) shareholders who object to resolutions of merger or division of the Company made by the General Meeting may request the Company to purchase the shares they hold;

(viii) other rights provided for by laws, administrative regulations, departmental rules or the Articles.

If any resolution made by the General Meeting and the Board of Directors of the Company violates the laws and administrative regulations, the shareholders are entitled to petition to the people's court to affirm it as invalid.

If the procedures for general meetings and meetings of the Board or the method of voting at such meetings violate the laws, administrative regulations or the Articles, or the content of any resolution violates the Articles, the shareholders may, within 60 days from the date on which such resolution is approved, submit a petition to the People's Court to revoke the same, provided, however, that there are only minor defects in the procedure or voting method of the general meeting and the meeting of Board which have no substantial impact on the resolution.

If a Director or senior management, other than those on the Audit Committee, violates the laws, administrative regulations or any provisions of the Articles when performing his/her duties with the Company resulting in losses to the Company, shareholders individually or together holding 1% or more of the shares of the Company for more than 180 consecutive days may request the Audit Committee in writing to file a lawsuit with the people's court; if the Audit Committee violates the laws, administrative regulations or any provisions of the Articles when performing its duties with the Company resulting in losses to the Company, any aforesaid shareholder may request the Board of Directors in writing to file a lawsuit with the people's court.

If the Audit Committee or the Board of Directors refuses to file such lawsuit after a written request has been received from any shareholder specified in the preceding paragraph, or fails to file such lawsuit within 30 days from the date when the request has been received, or under urgent circumstance where failure to immediately file a lawsuit will lead to irreparable losses to the Company, any shareholder under the preceding paragraph may file a lawsuit directly with the people's court in such shareholder's own name, for the interest of the Company.

If a Director or senior management violates the laws, administrative regulations or any provisions of the Articles prejudicing the interests of any shareholder, such shareholder may file a lawsuit with the people's court.

Shareholders of the Company shall assume the following obligations:

(i) to abide by the laws, administrative regulations and the Articles;

(ii) to pay the share subscription price based on the shares subscribed for by them and the method of acquiring such shares;

(iii) not to return shares unless prescribed otherwise in the laws and regulations;

(iv) not to abuse shareholders' rights to infringe upon the interests of the Company or other shareholders; not to abuse the Company's status as an independent legal entity or the limited liability of shareholders to infringe the interests of the Company's creditors;

(v) to assume other obligations required by the laws, administrative regulations and the Company.

Any shareholder of the Company who abuses shareholders' rights and causes the Company or other shareholders to suffer a loss shall be liable for making compensation in accordance with the laws. Any shareholder of the Company who abuses the status of the Company as an independent legal entity or the limited liability of shareholders to evade debts and causes severe harms to the interests of the Company's creditors shall assume joint and several liability for the Company's debts.

Controlling Shareholder and Actual Controllers

The controlling shareholders or the actual controllers of the Company should adhere to the following requirements:

(i) to exercise shareholders' rights in accordance with laws, without abusing control or using related relationships to harm the legitimate rights and interests of the Company or other shareholders;

(ii) to strictly adhere to the public statements and commitments made, and not to change or waive them without authorization;

(iii) to strictly fulfill its information disclosure obligations in accordance with the relevant requirements, actively cooperate with the Company to ensure proper information disclosure, and promptly inform the Company of any significant events that have occurred or are likely to occur;

(iv) not to appropriate the funds of the Company in any way;

(v) not to compel, instruct, or require the Company and relevant personnel to provide guarantees in violation of laws and regulations;

(vi) not to use undisclosed and material information of the Company for their own interests, not to disclose undisclosed material information related to the Company in any way, and not to be engaged in acts in violation to laws and regulations such as insider trading, short-term trading, or market manipulation;

(vii) not to harm to the legitimate rights and interests of the Company and other shareholders through any unfair connected transactions, profit distribution, asset restructuring, external investment, or other means;

(viii) to assure that the Company has integrated assets and independent personnel, independent finance, independent organization structure and independent business operation, and not to influence the Company's independence in any way;

(ix) other requirements of Laws, administrative regulations, regulations of the CSRC, business rules of the Shenzhen Stock Exchange and the Articles.

Where the controlling shareholder or actual controller of the Company does not serve as a director but actually attends to the affairs of the Company, the provisions of the Articles concerning the fiduciary duties and diligent obligations of directors shall apply.

If the controlling shareholder or the actual controllers of the Company instructs directors and senior management to engage in actions that harm the interests of the Company or its shareholders, the directors and senior management shall bear joint liabilities.

Where the controlling shareholder or actual controller pledge the shares of the Company held or actually controlled by them, they shall maintain the stability of the Company's control and production and operation.

Where the controlling shareholder or actual controller transfer the shares they held in the Company, they shall comply with the restrictive provisions on share transfer under laws, administrative regulations, and restrictive provisions on share transfers under the regulations of the CSRC and the Shenzhen Stock Exchange, as well as any undertakings made by them regarding share transfer restrictions.

General Provisions for Shareholders' Meetings

The shareholders' meeting is the organ of authority of the Company, which exercises the following functions and powers in accordance with the law:

(i) To elect and replace Directors and to decide on matters relating to the remuneration of Directors;

(ii) To examine and approve the reports of the Board of Directors;

(iii) To examine and approve the Company's proposals for profit distribution plans and loss recovery plans;

(iv) To decide on the increase or decrease of the Company's registered capital;

(v) To decide on the issue of corporate bonds by the Company;

(vi) To decide on matters such as merger, division, dissolution and liquidation or change of corporate form of the Company;

(vii) To amend the Articles of Association;

(viii) Resolution on appointment and dismissal of an accounting firm conducting audit services for the Company by the Company;

(ix) To examine and approve the guarantees stipulated in the Articles that need to be examined and approved by the shareholders' meeting;

(x) To examine matters relating to the purchases and sales of the Company's material assets within one year, which exceed 30% of the Company's latest audited total assets;

(xi) To examine and approve matters relating to changes in the use of proceeds;

(xii) To examine and approve the equity incentive plans and employee stock ownership plans;

(xiii) To examine other matters as required by the laws, administrative regulations, departmental rules, the Listing Rules of the Stock Exchange or the Articles of the Company, which shall be decided by the shareholders' meeting.

The shareholders' meeting may authorize the Board of Directors to make resolutions on issuance of bonds by the Company.

The Company shall submit any proposed external guarantee that meets any of the following criteria to the shareholders' meeting for consideration:

(i) A single guarantee for an amount of more than 10% of the Company's net assets audited in the latest period;

(ii) Any guarantee to be provided after the total amount of external guarantees provided by the Company and its controlling subsidiaries has exceeded 50% of the Company's net assets as audited in the latest period;

(iii) Any guarantee to be provided to a party whose ratio of liabilities to assets exceeds 70%;

(iv) The total amount of guarantee provided by a company exceeds 50% of the latest audited net assets of the company within twelve consecutive months and the absolute amount exceeds RMB50 million;

(v) Any guarantee to be provided after the total amount of external guarantees provided by the Company and its controlled subsidiaries has exceeded 30% of the Company's total assets audited in the latest period;

(vi) Basis of the cumulative guarantee amount within twelve consecutive months, the total amount of external guarantees provided by the Company has exceeded 30% of the Company's total assets audited in the latest period;

(vii) The guarantee to be provided to a shareholder, or to an actual controller or related party thereof;

(viii) Other guarantees required to be submitted to the shareholders' meeting for deliberation and approval by the laws, regulations, the Stock Exchange and the Articles.

The Company may provide guarantees for wholly-owned subsidiaries, or for controlled subsidiaries where other shareholders of the controlled subsidiary provide guarantees in proportion to their equity interests, and in compliance with the securities regulatory rules of the place where the Company's shares are listed, such guarantees may be exempted from the provision of submission for review by the shareholders' meeting if they fall under items (i) to (iv) of the preceding paragraph.

When the Board of Directors reviews the guarantee matters, approval must be obtained from more than two-thirds of the Directors present at the Board meeting. When the shareholders' meeting reviews the guarantee matters mentioned in item (vi) of the preceding paragraph, approval must be obtained from more than two-thirds of the voting rights held by the shareholders present at the meeting.

When the shareholders' meeting reviews proposals for guarantees provided to shareholders, actual controller, and their affiliates, the shareholder in question or the shareholder under the control of the actual controller shall not participate in the voting on such proposals. The voting on such proposals shall be passed by a majority of the voting rights held by the other shareholders present at the shareholders' meeting. If the Company provides guarantees for the controlling shareholders, actual controller, and their affiliates, the controlling shareholder, actual controller, and their affiliates shall provide counter-guarantees.

The Company shall not provide any external guarantee without the approval of the shareholders' meeting or the board of directors.

The shareholders' meetings are divided into annual shareholders' meetings and extraordinary shareholders' meetings. The annual shareholders' meeting shall be convened once a year and be held within six months after the end of the previous fiscal year.

The Company shall convene an extraordinary shareholders' meeting within two months from the date of the occurrence of any of the following circumstances:

(i) The number of Directors is less than the number provided for in the Company Law or less than two-thirds of the number prescribed in the Articles;

(ii) The uncovered losses of our Company reach one-third of its total share capital;

(iii) A request from shareholders who separately or jointly hold 10% or more shares in the Company;

(iv) The Board of Directors considers it necessary;

(v) The audit committee proposes that such a meeting shall be held;

(vi) Other circumstances conferred by the laws, administrative regulations, departmental rules or the Articles.

Conducting of Shareholders' General Meetings

The Board should call the shareholders' general meeting on time within the stipulated period. With the consent of more than half of all independent directors, independent directors shall have the right to propose to the Board to convene an extraordinary general meeting. The Board shall, in accordance with laws, administrative regulations and the Articles, give written feedback to agree or disagree to hold the extraordinary general meeting within ten (10) days after receiving the proposal.

Provided the Board agrees to hold the extraordinary general meeting, a notice shall be given within five (5) days after the Board makes such a resolution; if the Board disagrees to hold the extraordinary general meeting, reasons shall be explained and announced.

The Audit Committee has the right to propose to the Board to hold the extraordinary general meeting in writing. The Board, according to laws, administrative regulations and the Articles, shall give written feedback to agree or disagree to hold the extraordinary general meeting within ten (10) days after receiving the proposal.

If the Board agrees to hold the extraordinary general meeting, a notice shall be given within five (5) days after the Board makes such a resolution. Changes to the original proposal in the notice shall be approved by the Audit Committee.

If the Board disagrees to convene the extraordinary general meeting or fails to give feedback within ten (10) days upon receipt of such proposal, it shall be deemed that the Board cannot or does not fulfill the obligation to convene the extraordinary general meeting and the Audit Committee shall convene and preside over the meeting by itself.

Shareholders individually or jointly holding more than 10% of the shares of the Company are entitled to make a request to convene an extraordinary general meeting or a class meeting in writing to the Board. The Board shall provide written feedback on whether it agrees to convene the extraordinary general meeting within ten (10) days after receiving the request according to the provisions of the relevant laws, administrative regulations and the Articles.

If the Board agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within five days after making the Board resolution. Any changes to the original proposal in the notice shall be subject to the consent of the relevant shareholders.

If the Board disagrees to convene an extraordinary shareholders' meeting or fails to provide feedback within ten days of receipt, shareholders who individually or collectively hold more than 10% of the Company's shares propose to the audit committee to convene an extraordinary shareholders' meeting and shall submit such request in writing to the audit committee.

If the audit committee agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within five days after receiving the request. Any changes to the original proposal in the notice shall be subject to the consent of the relevant shareholders.

If the audit committee fails to issue a notice of the shareholders' meeting within the prescribed period, it shall be deemed that the audit committee does not convene and preside over the shareholders' meeting. In such cases, shareholders who individually or collectively hold more than 10% of the Company's shares for a continuous period of 90 days or more may convene and preside over the meeting on their own.

Where the audit committee or shareholders decide to convene a shareholders' meeting on their own initiatives, they shall notify the Board in writing and file the records with the Shenzhen Stock Exchange at the same time.

Prior to the announcement of the shareholders' meeting resolution, the shareholding of the convening shareholders shall not be less than 10%.

The audit committee or the convening shareholders shall submit the relevant supporting materials to the Shenzhen Stock Exchange when issuing the notice of the shareholders' meeting and the notice of the resolution of the shareholders' meeting.

For the shareholders' meetings convened by the audit committee or shareholders on their own initiatives, the Board and the Secretary of the Board shall cooperate with the audit committee or the shareholders. The Board will provide the register of members as at the shareholding registration date.

The expenses necessary for the shareholders' meeting convened by the audit committee or the shareholders on their own initiatives shall be borne by the Company.

Proposals and Notices of Shareholders' Meetings

The Company may convene a shareholders' meeting, and the Board, the audit committee, as well as shareholders who individually or collectively hold more than 1% of the Company's shares, have the right to submit proposals to the Company.

Shareholders who individually or collectively hold more than 1% of the Company's shares may submit a temporary proposal in writing to the convener 10 days prior to the shareholders' meeting. The convener shall issue a supplementary notice of the shareholders' meeting within 2 days after receiving the proposal, announcing the content of the temporary proposal, and submit the temporary proposal to the shareholders' meeting for deliberation. However, this does not apply if the temporary proposal violates the provisions of laws, administrative regulations, or the Articles of Association, or if it is not within the scope of the shareholders' meeting's authority.

Except for the circumstances specified in the preceding paragraph, after the convener has issued the notice of the shareholders' meeting, it shall not modify the proposals already listed in the notice or add new proposals.

Any proposal that is not stated in the notice of the shareholders' meeting or do not comply with the Articles shall not be voted and approved at the shareholders' meeting.

The convener shall notify each shareholder by announcement at least 20 days before the annual shareholders' meeting, and at least 15 days before the extraordinary shareholders' meeting.

The date of the meeting shall not be included when the Company calculates the starting date.

A notice of a shareholders' meeting shall include the following:

(I) the time, venue and duration of the meeting;

(II) matters and proposals submitted to the meeting for consideration;

(III) a prominent written statement that all shareholders are entitled to attend shareholders' meeting and are entitled to appoint in writing a proxy to attend and vote at the meeting and that such proxy need not be a shareholder of the Company;

(IV) the record date of registration of shareholders entitled to attend the shareholders' meeting;

(V) the name and telephone number of the regular contact person for the meeting;

(VI) the time and procedure for voting online or through other means.

After the shareholders' meeting notice has been issued, the shareholders' meeting should not be postponed or canceled without a valid reason, and the proposals listed in the notice of the shareholders' meeting should not be canceled. In the event of a postponement or cancellation, the convener shall announce and explain the reasons at least two working days before the originally scheduled date.

Convening of Shareholders' Meetings

All shareholders or their proxies registered on the record date for equity registration shall be entitled to attend the shareholders' meeting. They shall have the right to exercise voting rights in accordance with relevant laws, regulations, and the Articles.

Shareholders may attend the shareholders' meeting in person or appoint a proxy to attend and vote on their behalf.

Individual shareholders who attend the meeting in person shall show their own identification cards, or other valid documents or certificates to show their identity. The proxy appointed by a shareholder to attend the meeting shall present his own identification card and a written power of attorney issued by the shareholder.

Corporate shareholders shall attend the meeting by its legal representative or the proxy appointed by its legal representative. Where the legal representative attends the meeting, he/she shall present his/her identification card and valid proof that can prove his/her qualification as legal representative; and where a proxy appointed by a corporate shareholder attends the meeting, the proxy shall present his/her own identification card, and the written power of attorney legally issued by the legal representative of the corporate shareholder.

The written power of attorney issued by the shareholder appointing his or her proxy to attend the shareholders' meeting shall state:

(I) name or title of the appointer, and the class and number of shares of the Company held;

(II) name or title of the proxy;

(III) specific instructions given by the shareholder, including instruction to vote for or against or abstain from voting on each and every issue included in the agenda of the shareholders' meeting;

(IV) the date of issue and validity period of the power of attorney;

(V) the signature (or seal) of the appointer. If the appointer is a corporate shareholder, the power of attorney shall be affixed with the seal of the corporate shareholder.

Where such form of proxy is signed by a person under a power of attorney on behalf of the appointer, such power of attorney or other authorization document shall be notarized. The notarized power of attorney and other authorization documents, together with the proxy form, shall be lodged at the Company's premises or such other place designated in the notice convening the meeting.

When a shareholders' meeting is convened, if the shareholders' meeting requires directors and senior management members to attend the meeting as observers, the directors and senior management members shall attend the meeting and accept shareholders' inquiries.

The shareholders' meeting shall be presided over by the chairman of the Board. If the chairman is unable or fails to perform his duties, the meeting shall be presided over by a director jointly elected by a majority of the directors.

If the shareholders' meeting is convened by the audit committee, it shall be presided over by the convener of the audit committee. If the convener of the audit committee is unable or fails to perform his/her duties, one member of the audit committee shall be elected by a majority of members of the audit committee to preside over the meeting.

If the shareholders' meeting is convened by the shareholders themselves, a representative elected by the conveners shall preside over the meeting.

When a shareholders' meeting is convened, if the presiding officer of the meeting violates the rules of procedure and prevents the meeting from proceeding, upon the agreement of more than half of the shareholders present at the venue and entitled to vote, the shareholders' meeting may elect one person to serve as the presiding officer to continue the meeting.

Voting at and Resolutions of the Shareholders' Meetings

The resolutions of the shareholders' meeting are divided into ordinary resolutions and extraordinary resolutions.

An ordinary resolution at a shareholders' meeting shall be passed by more than half of the voting rights held by the shareholders present at the shareholders' meeting.

An extraordinary resolution at a shareholders' meeting shall be passed by at least two-thirds of the voting rights held by the shareholders present at the shareholders' meeting.

The following matters shall be approved by the shareholders' meeting through ordinary resolutions:

(I) work reports of the Board;

(II) plans of earnings distribution and recovery of losses schemes drafted by the Board;

(III) appointment or dismissal of the members of the Board, their remunerations and the payment method;

(IV) other matters other than those approved by extraordinary resolutions stipulated in the laws, administrative regulations or the Articles.

The following matters shall be approved by extraordinary resolutions at the shareholders' meeting:

(I) the increase or reduction of the registered capital of the Company;

(II) the merger, division, spin-off, dissolution and liquidation of the Company or change of the form of the Company;

(III) any amendment to the Articles;

(IV) the purchase and sale of material assets or amount of guarantee provided to others by the Company within one year valued at more than 30% of the audited total assets of the Company as at the most recent period;

(V) equity incentive scheme;

(VI) other matters as required by the laws, administrative regulations or the Articles, and considered by the shareholders' meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the Company, shall be passed by an extraordinary resolution.

Shareholders (including their proxies) shall exercise voting rights based on the number of shares with voting rights held by them, and each share shall be entitled to one vote.

Where material issues affecting the interests of minority investors are considered at the shareholders' meeting, the votes of minority investors shall be counted separately. The separate votes counting results shall be disclosed publicly in a timely manner.

The Company's own shares held by the Company do not carry voting rights and such shares shall not count towards the total number of shares with voting rights at shareholders' meeting.

If a shareholder purchases shares with voting rights of the Company in violation of the provisions of Article 63 (I) and (II) of the Securities Law, the voting rights of such shares in excess of the prescribed proportion shall not be exercised and shall not be counted towards the total number of shares with voting rights present at the shareholders' meeting for 36 months after the purchase.

The Board, independent directors, shareholders holding 1% or more of the voting shares of the Company or the investor protection bodies established in accordance with the laws, the administrative regulations, or the requirements of CSRC may publicly solicit voting rights from shareholders. When soliciting voting rights from shareholders, the specific voting intention and other information are required to be fully disclosed to the solicitation targets. Soliciting shareholders' voting rights may not be made in a paid or disguised paid manner.

When the shareholders' meeting reviews matters related to related-party transactions, associated shareholders shall not participate in the voting, and the number of shares they represent with voting rights shall not be included in the total number of valid votes; the announcement of the shareholders' meeting resolution shall fully disclose the voting situation of non-associated shareholders.

BOARD

Director

Directors of the Company shall be individuals, and a person may not serve as a director of the Company in case of any of the following circumstances:

(I) the person without civil conduct capacity or with limited civil conduct capacity;

(II) the person who has committed an offense of corruption, bribery, conversion of property, misappropriation of property or sabotaging the market economic order of socialism and has been punished therefor; or who has been deprived of his/her political rights, in each case where less than 5 years have elapsed since the date of the completion of implementation of such punishment or deprivation; in the case of a suspended sentence, for a period not exceeding 2 years from the date of expiry of the probationary period;

(III) the person who is a former director, factory director or general manager of a company or enterprise which is insolvent and under liquidation and he/she is personally liable for the insolvency of such company or enterprise, where less than 3 years have elapsed since the date of the completion of such insolvency and liquidation of the Company or enterprise;

(IV) the person who is a former legal representative of a company or enterprise which had its business license revoked and was ordered to shut down due to a violation of the law and who incurred personal liability, where less than 3 years have elapsed since the date of such revocation of the business license;

(V) persons with relatively significant individual debts that have not been settled upon maturity;

(VI) persons who have been banned from the securities market by CSRC where the relevant period remains unexpired;

(VII) the person who has been disqualified as a director or senior management members of a listed company recognized by the stock exchange and the period has not expired;

(VIII) other contents stipulated by laws, administrative regulations or departmental rules.

The election or appointment of the directors shall be invalid if such election or appointment is against this Article. If a director falls under the provisions above during his or her tenure, the Company shall dismiss him or her from office and terminate his or her duties.

Directors shall be elected or replaced by the shareholders' meeting, with a term of office of three years.

A director may be re-elected and continue to hold office upon the expiration of his term of office. Before the expiration of a director's term of office, the shareholders' meeting may remove such director from his office.

The term of office for directors begins on the date of their appointment and ends when the current Board's term expires. If the term of office for directors expires and a timely re-election has not taken place, the outgoing directors shall continue to perform their duties in accordance with laws, administrative regulations, departmental rules and the Articles until the newly elected directors take office.

Directors may concurrently hold the senior management members' positions, but the total number of directors who concurrently hold the position of senior management members' positions and are appointed by employee representatives, shall not exceed half of the total number of directors of the Company.

Directors who cannot attend the Board meetings in person twice consecutively nor appoints any other directors to attend on their behalf are deemed as failure in performing their duties, and shall be subject to replacement as recommended by the Board at the shareholders' meeting.

Directors shall comply with the provisions of the laws, administrative regulations and the Articles, and assume the duty of loyalty to the Company, and shall take measures to avoid conflicts between their own interests and the interests of the Company, and shall not utilize their powers to gain undue benefits. The directors owe the following duties of loyalty to the Company:

(I) shall not use his/her position to accept bribes or other illegal income;

(II) shall not embezzle the Company's property or misappropriate the Company's funds;

(III) shall not deposit funds of the Company in an account opened in his/her personal name or in the name of another individual;

(IV) shall not conclude any contract or transaction directly or indirectly with the Company without reporting to the Board or the shareholders' meeting and being resolved by the Board or the shareholders' meeting;

(V) shall not take advantage of duty to seek business opportunities for himself/ herself or others that would have been directed to the Company, except when such business opportunities are reported to the Board or the shareholders' meeting and approved by a resolution of the shareholders' meeting, or when the Company is unable to take advantage of such business opportunities in accordance with the provisions of laws, administrative regulations or the Articles;

(VI) shall not engage in business similar to those of the Company for himself/herself or others, without reporting to the Board or the shareholders' meeting and being approved by a resolution of the shareholders' meeting;

(VII) shall not accept commission for transactions between the Company and others as personal gains;

(VIII) shall not disclose any confidential information involving the Company without authorization;

(IX) shall not impair the interests of the Company through connected relationship;

(X) other loyalty obligations in accordance with laws, administrative regulations, departmental rules and the Articles.

Any and all proceeds obtained by directors in violation of the provisions of the Article shall belong to the Company; and in case of any loss caused to the Company thereby, such directors shall be liable for compensation.

The provisions of the item (IV) of the above paragraph shall apply to the conclusion of contracts or engagement in transactions with the Company by close relatives of the directors and senior management members or enterprises directly or indirectly controlled by the directors and senior management members or their close relatives, as well as persons who are otherwise related to the directors and senior management members.

Directors shall comply with the provisions of laws, administrative regulations, and the Articles to perform the following duties of diligence to the Company. They shall fulfill their obligations with reasonable care generally due to managers in the best interests of the Company:

(I) to exercise the rights granted to them by the Company with prudence, diligence, and care to ensure that the Company's business activities comply with national laws, administrative regulations, and all national economic policies, and that business operations do not exceed the scope of business specified in the business license;

(II) to treat all shareholders fairly;

(III) to promptly understand the status of the Company's business operations and management;

(IV) to sign a written confirmation on the Company's regular reports to ensure that the information disclosed by the Company is true, accurate, and complete;

(V) to provide relevant information and materials to the audit committee truthfully and not to obstruct the audit committee from exercising their powers;

(VI) other duties of diligence as stipulated by laws, administrative regulations, departmental rules and the Articles.

Directors who cannot attend the Board meetings in person twice consecutively nor appoints any other directors to attend on their behalf are deemed as failure in performing their duties, and shall be subject to replacement as recommended by the Board at the shareholders' meeting.

A director may propose to resign prior to the expiration of his/her term of office. A written resignation report shall be submitted to the Company when a director resigns. The resignation takes effect on the date on which the Company receives the resignation report, and the Company will disclose the relevant situation within two days.

If the resignation of a director causes the number of directors on the Board to fall below the statutory minimum, the outgoing director shall continue to perform his/her duties in accordance with laws, administrative regulations, departmental rules and the Articles until the newly elected director takes office.

The Company has a system in place to manage the departure of directors, which specifies safeguards for pursuing and recovering liability for unfulfilled public commitments and other outstanding matters. When a director's resignation takes effect or his/her term of office expires, the director shall complete all handover procedures with the Board, and his/ her fiduciary duties to the Company and shareholders shall not be discharged after the termination of office, and shall remain effective for two years after the effective date of his resignation or the expiration of his term of office and shall, after the termination of office, continue to be bound by the obligation to keep confidential the trade secrets of the Company until the relevant trade secrets have been made public. The term for which other obligations shall continue shall be decided upon in accordance with the principle of fairness, depending on the time lapse between the occurrence of the matter and the departure as well as the circumstances and conditions under which the relationship with the Company terminates. The liability that a director bears during his/her term of office arising from the performance of duties shall not be exempted or terminated due to his/her departure from office.

Board

The Company sets up the Board, which shall be accountable to the shareholders' meetings.

The Board shall consist of 7 directors, including 3 independent directors and 1 employee representative director.

The Board shall exercise the following duties and powers:

(I) to convene shareholders' meetings and report its work to the shareholders' meetings;

(II) to implement the resolutions of the shareholders' meetings;

(III) to resolve operation plans and investment plans of the Company;

(IV) to formulate the profit distribution plans and plans for recovery of losses of the Company;

(V) to formulate proposals for the increase or reduction of the registered capital of the Company and proposals for the issue of bonds or other securities and listings;

(VI) to draft proposals for significant acquisitions by the Company, for the Company to purchase its own shares, or for the merger, division or dissolution of the Company or the change of the mode of the Company;

(VII) to decide on matters relating to external investments, acquisition or disposal of assets, external guarantees, entrusted wealth management, connected transactions and external donations, within the scope of authorization granted by the Shareholders' meeting;

(VIII) to decide on the establishment of the Company's internal management organization;

(IX) to appoint or remove the Company's general manager and the secretary of the board of directors; based on the nominations of the general manager, to appoint or remove the deputy general manager, financial controller and other members of senior management, and to decide on their remuneration, rewards and punishments;

(X) to formulate the Company's basic management system;

(XI) to formulate proposals for any amendment to the Articles;

(XII) to manage the Company's information disclosure matters;

(XIII) to propose to the Shareholders' meeting to appoint or change the accounting firm for the Company's audit;

(XIV) to debrief the work report of the general manager of the Company and review the general manager's work;

(XV) to perform other functions and powers conferred by the laws, administrative regulations, departmental regulations and the Articles.

Matters beyond the scope authorized by the Shareholders' meeting shall be submitted to the Shareholders' meeting for deliberation.

The board of directors shall have one chairman and no vice chairman. The chairman of the board of directors shall be elected by more than half of all the directors.

The chairman of the board of directors shall exercise the following functions and powers:

(I) to preside over the Shareholders' meeting, and to convene and preside over the meetings of the board of directors;

(II) to procure and examine the implementation of resolutions of the board of directors;

(III) other functions and powers authorized by the board of directors.

If the chairman of the board of directors is unable or fails to perform his/her duties, a director shall be elected jointly by more than half of the directors to perform such duties.

The board of directors shall hold at least two meetings every year as convened by the chairman of the board of directors and notify in writing all participants 10 days prior to the convening of the meeting.

Shareholders holding more than one-tenth of the voting rights, more than one-third of the directors, or the Audit Committee may propose the convening of an extraordinary meeting of the board of directors. The chairman shall convene and preside over the meeting of the board of directors within 10 days after receiving such proposal.

For the convening of an extraordinary meeting of the board of directors, the board of directors shall give written notice to all participants at least 5 days prior to the convening of the meeting.

In cases of emergency requiring the convening of an extraordinary meeting of the board of directors as soon as possible, notice of meeting can be given at any time via phone or other verbal means, with explanations provided by the convener at the meeting; with the written consent of all directors of the Company, the time limit for notice of extraordinary meetings as stipulated in the preceding clause may be waived.

Meetings of the board of directors may be held only if more than half of the directors attend. Resolutions of the board of directors must be adopted by the affirmative vote of more than half of all the directors.

Voting on the resolutions of the board of directors shall be executed on the basis of one vote per person.

Meetings of the board of directors shall be attended by the directors in person; If a director cannot attend a meeting for any reason, he may entrust in writing another director to attend the meeting on his behalf. The instrument of entrustment shall specify the name of the entrusted person, the appointed issues, the scope of authority and the valid period, and shall be signed or sealed by the entrusting director. A director who attends a meeting on behalf of another director shall exercise the rights of the director within the scope of authority granted. If a director fails to attend a meeting of the board of directors and has not appointed a representative to attend, he shall be deemed to have waived his voting rights in respect of that meeting.

The board of directors shall have an Audit Committee and may, as needed, have a strategy committee, a nomination committee, a remuneration and appraisal committee and other relevant special committees, and formulate corresponding implementation rules to specify the main duties, decision-making procedures, rules of procedures and other matters of each special committee. The board of directors shall be responsible for amendment and interpretation of the implementation rules of each special committee.

Each special committee is responsible to the board of directors and shall submit proposals to the board of directors for deliberation and approval. Each special committee may engage an intermediary agency to provide professional advices at the expense of the Company.

SENIOR MANAGEMENT

The Company shall have a general manager who shall be appointed or removed by the board of directors.

The Company shall have several deputy general managers who shall be appointed or removed by the board of directors.

The Company's general manager, deputy general managers, secretary to the board of directors and financial controller shall be the senior management of the Company.

The general manager's term of appointment is 3 years. The general manager can be reappointed upon the expiration of his term.

The general manager shall be accountable to the board of directors and shall exercise the following functions and powers:

(I) to be in charge of the production, operation and management of the Company, to organize the implementation of the resolutions of the board of directors and report his work to the board of directors;

(II) to organize the implementation of the Company's annual business plans and investment plans;

(III) to draft the plan for establishment of the Company's internal management organization;

(IV) to draft the Company's basic management system;

(V) to formulate the basic rules and regulations of the Company;

(VI) to propose to the board of directors the employment or dismissal of the deputy general manager, financial controller of the Company;

(VII) to decide to hire or dismiss management personnel other than those to be hired or dismissed by the board of directors;

(VIII) other functions and powers granted by the Articles and the board of directors.

The general manager shall attend meetings of the board of directors.

The senior management of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. If a Company's senior management fails to faithfully perform his/her duties or violates the obligation of good faith, resulting in damage to the interests of the Company and public shareholders, he/she shall be liable for compensation in accordance with the law.

FINANCIAL AND ACCOUNTING SYSTEMS, INTERNAL AUDIT AND ACCOUNTING FIRM

Financial and Accounting Systems

The Company shall formulate its own financial and accounting systems in accordance with laws, administrative regulations, and rules of the relevant authorities of the state.

The Company shall submit and disclose the annual report to the dispatched office of CSRC and the stock exchanges within four months after the end of each fiscal year, and submit and disclose the interim report to the dispatched office of CSRC and the stock exchanges within two months after the end of the first six months of each fiscal year.

The above annual reports and interim reports shall be prepared in accordance with relevant laws, administrative regulations and the provisions of departmental rules.

The Company shall have no other accounting books except the statutory accounting books. The funds of the Company shall not be deposited into any accounts opened in any individual's name.

When the Company is distributing after-tax profits of a particular year, it should allocate 10% of the profits into the Company's legal reserve fund. If the Company's cumulated legal reserve fund reaches more than 50% of the Company's registered capital, no further allocation is necessary.

If the legal reserve fund of the Company cannot make up for the losses in the previous year, then before making the allocation mentioned in the preceding paragraph, profits of that year should first be used to make up for the losses.

After the Company takes out the legal reserve fund from the after-tax profits, if resolved by the Shareholders' meeting, it can also take out an arbitrary reserve from the after-tax profits.

After the Company makes up for losses and allocates reserves, the balance of the after-tax profits should be distributed according to the proportion of shares held by shareholders, except for the distribution that shall not be based on the shareholding percentage as prescribed in the Articles.

If the Shareholders' meeting distributes profits to shareholders in violation of the provisions of the Company Law, the shareholders shall return the profits distributed in violation of the provisions to the Company. If any loss is caused to the Company, the shareholders, the responsible directors and senior management shall be liable for compensation.

Shares of the Company held by the Company shall not participate in the distribution of profits.

The reserve of the Company is used to make up for the Company's losses, expand the production and operation of the Company or be converted into an increase in the Company's registered capital.

To make up for the Company's losses, the Company shall first use the arbitrary reserve and legal reserve fund; if they are insufficient, the capital reserve can be used in accordance with the regulations.

When legal reserve funds are converted into registered capital, the remaining balance of that reserve funds shall not be less than 25% of the registered capital of the Company before the conversion for capital increase.

After the Shareholders' meeting has resolved on the plan to allocate profits or the board of directors of the Company has established specific plan pursuant to the conditions and cap of interim dividends for the next year as considered and approved at the annual Shareholders' meeting, the board of directors should complete the distribution of dividends (or shares) within 2 months from the date of convening of the Shareholders' meeting.

Internal Audit

The Company shall implement an internal audit system, specifying leadership system, duties and limit of authority, staffing, funding assurance, application of audit findings and accountability etc. for internal audit work.

The internal audit body of the Company shall supervise and inspect the business activities, risk management, internal control, financial information and other matters of the Company.

The internal audit system of the Company shall be implemented after being approval by the board of directors. The internal audit body shall be responsible to the board of directors.

Appointment of an Accounting Firm

The Company shall engage an accounting firm that conforms to the Securities Law to audit its financial statements, verify its net assets and provide other relevant consultancy services. The accounting firm so appointed shall hold one-year term of office which is renewable.

The appointment and removal of the accounting firm of the Company shall be subject to the approval of Shareholders' meetings. The board of directors shall not appoint an accounting firm before the approval of the Shareholders' meetings.

The Company guarantees that it shall provide the appointed accounting firm with true and complete accounting proofs, accounting books, financial and accounting reports and other accounting information, and that it engages without any refusal, withholding, and misrepresentation.

The audit expenses of the accounting firm shall be determined by the Shareholders' meeting.

When the Company dismisses or does not renew the engagement of an accounting firm, it shall notify the accounting firm 30 days in advance. The accounting firm may present its views when the dismissal of the accounting firm is voted at the Shareholders' meeting.

When an accounting firm resigns, it should explain to the Shareholders' meeting whether the Company has any irregularity.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase, and Capital Reduction

Merger of the Company may take the form of merger by absorption and merger by new establishment.

Merger by absorption refers to a company absorbing another company, in which the company being absorbed shall be dissolved. Merger by new establishment refers to establishing a new company by merging two or more companies, whereby the merging parties shall be dissolved.

If the price paid for a company merger does not exceed 10% of the Company's net assets, it may not be subject to a resolution of the Shareholders' meeting, unless otherwise stipulated in the Articles.

If the Company is involved in a merger, the parties to the merger shall enter into a merger agreement, and shall prepare a balance sheet and a property list. The Company shall notify its creditors within 10 days as of the date of the resolution for the merger and shall publish an announcement on the newspapers and website designated by the Company or on the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within 30 days as of the date of such resolution. A creditor may, within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice within 45 days of the date of the announcement, demand the Company to repay its debts or provide guarantees for such debts.

Where a Shareholders' meeting is not required for a merger pursuant to the provisions of the preceding paragraph, a resolution of a board of directors shall be passed.

Upon the merger, the creditors' rights and the indebtedness of each merging party shall be assumed by the surviving entity or the newly established company subsequent to the merger.

Where the Company is to be divided, its assets shall be divided accordingly.

Where there is a division of the Company, a balance sheet and a property list shall be prepared. The Company shall notify its creditors within 10 days as of the date of the resolution for the division and shall publish an announcement on the newspapers and website designated by the Company or on the National Enterprise Credit Information Publicity System within 30 days as of the date of such resolution.

Unless a written agreement has been entered into, before the division, by the Company and its creditors in relation to the repayment of debts, debts of the Company prior to the division shall be jointly assumed by the surviving companies after the division.

Where the Company needs to reduce its registered capital, it shall prepare a balance sheet and a property list.

The Company shall notify its creditors within 10 days as of the date of the resolution for the reduction of its registered capital and shall publish an announcement on the newspapers and website designated by the Company or on the National Enterprise Credit Information Publicity System within

30 days as of the date of such resolution. A creditor may within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice within 45 days as of the date of the announcement, to demand the Company to repay its debts or provide guarantees for such debts.

When the company reduces its registered capital, it shall reduce its capital contribution or shares correspondingly according to the proportion of shares held by shareholders, unless otherwise stipulated by the laws or in the Articles.

When the Company issues new shares to increase its registered capital, its shareholders do not enjoy the pre-emptive right, unless otherwise specified in the Articles or decided by the resolution of a Shareholders' meeting that the shareholders enjoy the pre-emptive right.

Where the Company undergoes a merger or division, changes in the particulars of the Company shall be registered with the company registration authorities in accordance with the laws. Where the Company is dissolved, cancellation of its registration shall be conducted in accordance with the laws. Where a new company is established, it shall be registered in accordance with the laws.

If the Company increases or decreases its registered capital, it shall go through the change registration with the company registration authorities in accordance with the law.

Dissolution and Liquidation

The Company shall be dissolved if:

(I) business term specified in the Articles expires or other dissolution reasons as stipulated in the Articles arise;

(II) a resolution on dissolution is passed by the Shareholders' meeting;

(III) dissolution is necessary due to a merger or division of the Company;

(IV) the business license of the Company is revoked, or the Company is ordered to close down, or it is canceled, according to the law;

(V) where the Company's operations and management encounter serious difficulty, and its continuation will cause substantial loss to the interests of the shareholders and no solution can be found through any other channel, shareholders holding more than 10% of the total voting rights of the Company may make requisition to the people's court to dissolve the Company.

If the Company has the reasons for dissolution specified in the preceding paragraph, it shall publicize the reasons for dissolution through the National Enterprise Credit Information Publicity System within 10 days.

If the Company is in the situations of the above items (I) or (II) and has not yet distributed its property to its shareholders, it may survive by amending the Articles or by a resolution of the Shareholders' meeting. Amendments to the Articles or resolutions of the Shareholders' meeting made in accordance with the provisions of the preceding paragraph shall be approved by more than two-thirds of the voting rights held by the shareholders attending the Shareholders' meeting.

If the Company is dissolved under items (I), (II), (IV) or (V) above, a liquidation shall be conducted. The directors shall be the obligors for the Company's liquidation and must form a liquidation group within 15 days from the date the cause for dissolution arises to carry out the liquidation. The liquidation group shall be composed of directors, except as otherwise selected by a resolution of the Shareholders' meeting.

The liquidation obligors shall be liable for compensation if they fail to fulfill their obligations of liquidation in a timely manner, and thus any loss is caused to the company or the creditors.

The liquidation group shall notify the Company's creditors within 10 days as of its formation and shall publish announcements on the newspapers and website designated by the Company or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall file their proofs of claim with the liquidation group within 30 days as of the receipt of the notice or within 45 days as of the issuance of the public announcement in the case of failing to receive such notice.

The creditors shall provide a description and supporting evidence of the matters relating to their rights. The liquidation group shall register the creditors' rights.

The liquidation group shall not make any debt settlement during the period for registration of creditors.

After the liquidation group has thoroughly examined the assets of the Company and prepared the balance sheets and a list of assets, it shall formulate a liquidation plan and submit it to the Shareholders' meeting or the people's court for confirmation.

Upon payment of liquidation expenses, employee remuneration, social insurance premiums, statutory compensation, tax obligations and company debts, the residual assets shall be distributed among shareholders in proportion to their respective holdings.

The Company shall continue to exist during the liquidation period, although it cannot engage in business activities that are not related to the liquidation. The distribution of assets to shareholders prior to the satisfaction of the aforementioned obligations shall not be permitted.

If the liquidation group, after thoroughly examining the assets of the Company and preparing the balance sheets and a list of assets, discovers that the assets of the Company are insufficient to pay its debts in full, it shall apply to the people's court for bankruptcy liquidation in accordance with the laws.

After the people's court accepts the bankruptcy application, the liquidation group shall transfer the liquidation affairs to the bankruptcy administrator appointed by the people's court.

After the liquidation of the Company is completed, the liquidation group shall prepare a liquidation report and submit it to the Shareholders' meeting or the people's court for confirmation. The liquidation group shall then deliver the liquidation report to the company registration authority to apply for the deregistration of the Company and announce the termination of the Company.

If the Company is declared bankrupt in accordance with the law, the bankruptcy liquidation shall be carried out in accordance with the relevant laws on enterprise bankruptcy.

AMENDMENTS TO THE ARTICLES

The Company shall amend the Articles in any of the following circumstances:

(I) after amendments are made to the Company Law or other relevant laws and administrative regulations, the matters stipulated in the Articles are in conflict with the provisions of the revised laws and administrative regulations (the contents of the aforesaid conflicting parts shall be governed by the provisions of the relevant laws, administrative regulations before the Articles are amended in accordance with the law);

(II) there are changes in the particulars of the Company which are different from that set out in the Articles;

(III) the Shareholders' meeting has resolved to amend the Articles.

Amendments of the matters of the Articles adopted by a resolution of the Shareholders' meeting which are subject to approvals from competent authority shall be submitted to the competent authority for approval; if there is any change relating to the registered particulars of the Company, application shall be made for change in registration in accordance with the law.

The board of directors shall amend the Articles in accordance with the resolution approved at the Shareholders' meeting and the opinions from the competent authorities.

Information on the amendments to the Articles shall be disclosed as required by the laws and regulations and shall be announced in accordance with the rules.

A. FURTHER INFORMATION ABOUT OUR COMPANY

1. Incorporation

Our Company was established as a limited liability company under the laws of the PRC on July 22, 2010 and was converted into a joint stock company with limited liability on June 9, 2020. Our Company completed the listing of our A Shares on the ChiNext Market (stock code: 301080) in October 2021.

Accordingly, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. The relevant PRC laws and regulatory provisions and a summary of our Articles of Association are set out in "Summary of Principal Legal and Regulatory Provisions" in Appendix IV and "Summary of Articles of Association" in Appendix V to this document, respectively.

Our registered office is located at 4th Floor, Building 4, No. 8 Hongda North Road, Beijing Economic-Technological Development Area, Beijing, PRC. We were registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on February 2, 2026, and our principal place of business in Hong Kong is 46th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. Mr. NG Tung Ching Raphael (吳東澄) has been appointed as our authorized representative for the acceptance of service of process and notices on behalf of our Company in Hong Kong. The address for service of process on our Company in Hong Kong is the same as our principal place of business in Hong Kong as set out above.

2. Changes in share capital of our Company

Save as disclosed below, there has been no alteration in the share capital of our Company within two years immediately preceding the date of this document.

On May 14, 2025, the Shareholders passed a resolution and approved the capitalization of the capital reserve of our Company by way of a bonus issue on the basis of four new Shares for every ten existing Shares held by all then Shareholders. Upon completion of such registration of such conversion of capital reserve, our Company's total share capital was increased from 120,000,000 to 167,848,198.

On November 13, 2025, the Shareholders passed a resolution and approved the cancellation of 57,803 Shares that were previously repurchased but not cancelled. Upon completion of the cancellation of such Shares, our Company's total share capital was decreased from 167,848,198 to 167,177,695.

On June 17, 2026, the Board passed a resolution and approved the vesting of 501,363 restricted shares for 162 qualified granted personnel. Upon vesting of such restricted shares, our Company's total share capital was increased from 167,177,695 to 167,679,058.

On July 16, 2026, the Shareholders passed a resolution and approved a repurchase mandate, which is valid for six months from the date of approval of the repurchase mandate by the Shareholders. As of the Latest Practicable Date, a total of 20,000 A Shares have been repurchased and held under our Company stock repurchase account, which are pending cancellation. Upon completion of the cancellation of such Shares, our Company's total share capital will be decreased from 167,679,058 to 167,659,058.

Upon completion of the **[REDACTED]**, but assuming the **[REDACTED]** is not exercised and no additional Shares are issued pursuant to our Restricted A-Share Incentive Plans, our registered share capital will increase from RMB[167,679,058] to RMB**[REDACTED]**, comprising [167,679,058] A Shares (including 20,000 A Shares as treasury shares) and **[REDACTED]** H Shares fully paid up, representing approximately **[REDACTED]**% and **[REDACTED]**% of our total issued share capital, respectively.

3. Changes in share capital of our subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in Note 1 in the Accountants' Report in Appendix I to this document.

On April 4, 2025, the registered capital of Hangzhou Taopu Technology increased from RMB10,000,000 to RMB15,000,000.

Save as disclosed above, there has been no alteration in the share capital of our subsidiaries within two years immediately preceding the date of this document.

4. Resolutions Passed by Our Shareholders' General Meeting in Relation to the [REDACTED]

Pursuant to the Shareholders' meeting held on January 6, 2026, the following resolutions, among other things, were duly passed:

(i) the **[REDACTED]** by our Company of the H Shares of nominal value of RMB1.00 each and such H Shares being **[REDACTED]** on the Stock Exchange;

(ii) the number of H Shares to be **[REDACTED]** shall not exceed **[REDACTED]** of the total issued share capital of our Company as enlarged by the **[REDACTED]** (assuming the **[REDACTED]** is not exercised and no additional Shares are issued pursuant to our Restricted A-Share Incentive Plans), and the grant of the **[REDACTED]** of not more than **[REDACTED]** of the total number of H Shares to be **[REDACTED]** initially under the **[REDACTED]**;

(iii) subject to the completion of the **[REDACTED]**, the conditional adoption of the Articles of Association which shall become effective on the **[REDACTED]**, and authorization to the Board to amend the Articles of Association in accordance with the requirements of the relevant laws and regulations and upon the request from the Stock Exchange and relevant regulatory authorities; and

(iv) authorization of the Board to handle matters relating to, among other things, the **[REDACTED]**, the **[REDACTED]** and **[REDACTED]** of the H Shares.

5. Restrictions on Repurchase

See "Summary of Principal Legal and Regulatory Provision — Share Buy-Back" in Appendix IV and "Summary of Articles of Association — Increase, Decrease and Repurchase of Shares" in Appendix V to this document for details.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

Our Group has entered into the following contracts (not being contract entered into in the ordinary course of business) within the two years immediately preceding the date of this document that are or may be material:

(a) the **[REDACTED]**.

2. Intellectual Property Rights

As at the Latest Practicable Date, the following intellectual property rights are material to our Group's business:

(a) Trademarks

As at the Latest Practicable Date, our Group had registered the following trademarks in the PRC which, in the opinion of our Directors, are material to our business:

No.	Trademark	Registered owner	Class	Registration number	Registration date	Expiry date
1	Cellectra	Our Company	42	84570392	September 28, 2025	September 27, 2035
2	Cellectra	Our Company	1	84551151	September 28, 2025	September 27, 2035
3	Safensure	Our Company	42	83040732	July 14, 2025	July 13, 2035
4	Safensure	Our Company	1	83044200	July 14, 2025	July 13, 2035
5	CelThera	Our Company	42	76744085	August 28, 2024	August 27, 2034
6	CelThera	Our Company	1	76744790	August 21, 2024	August 20, 2034
7	CelThera	Our Company	1	76713284	July 28, 2024	July 27, 2034
8	CelThera	Our Company	42	76717486	July 21, 2024	July 20, 2034
9	ActiveMax	Our Company	42	74044524	March 14, 2024	March 13, 2034
10	ActiveMax	Our Company	1	74044121	March 21, 2024	March 20, 2034
11	Star Ribbon	Our Company	42	69063835	June 28, 2023	June 27, 2033
12	Star Ribbon	Our Company	1	69051655	June 28, 2023	June 27, 2033
13	Star Ribbon	Our Company	1	69056775	June 28, 2023	June 27, 2033
14	Star Ribbon	Our Company	42	69057812	June 28, 2023	June 27, 2033
15	ComboX	Our Company	1	67922663	May 14, 2023	May 13, 2033
16	膜杰作	Our Company	42	65377423	December 7, 2022	December 6, 2032
17	膜杰作	Our Company	1	65360543	December 7, 2022	December 6, 2032
18	GENPower	Our Company	42	65375499	February 14, 2023	February 13, 2033
19	ComboX	Our Company	1	65307297	October 7, 2023	October 6, 2033
20	AneuRO	Our Company	42	62567876	July 28, 2022	July 27, 2032
21	AneuRO	Our Company	1	62558143	July 28, 2022	July 27, 2032
22	Star Staining	Our Company	42	59261940	March 7, 2022	March 6, 2032
23	Star Staining	Our Company	1	59272396	March 7, 2022	March 6, 2032

No.	Trademark	Registered owner	Class	Registration number	Registration date	Expiry date
24		Our Company	1	51550169	August 21, 2021	August 20, 2031
25	百普赛斯	Our Company	1	46228157	January 14, 2021	January 13, 2031
26	百普赛斯	Our Company	42	46232884	January 28, 2021	January 27, 2031
27		Our Company	42	22334643	January 28, 2018	January 27, 2028

As at the Latest Practicable Date, our Group had registered the following trademarks in Hong Kong which, in the opinion of our Directors, are material to our business:

No.	Trademark	Registered Owner	Place of registration	Class	Trade Mark Number	Registration date	Expiry date
1	ACROBIOSYSTEMS	Our Company	Hong Kong	1	307088716	November 11, 2025	November 11, 2035
2	ACROBIOSYSTEMS	Our Company	Hong Kong	9	307088770	November 11, 2025	November 11, 2035
3	ACROBIOSYSTEMS	Our Company	Hong Kong	42	307088815	November 11, 2025	November 11, 2035
4	百普赛斯 百普賽斯	Our Company	Hong Kong	1	307088437	November 11, 2025	November 11, 2035
5	百普赛斯 百普賽斯	Our Company	Hong Kong	9	307088563	November 11, 2025	November 11, 2035
6	百普赛斯 百普賽斯	Our Company	Hong Kong	42	307088653	November 11, 2025	November 11, 2035

(b) Patents

As at the Latest Practicable Date, we have registered the following patents in the PRC which, in the opinion of our Directors, are material in relation to our Company's business:

No.	Patent name	Patentee(s)	Patent no.	Patent type	Date of authorization	Validity period
1	A fluorescently labeled protein tetramer, its preparation method and application* (一種螢光素標記的蛋白四聚體及其製備方法與應用)	Our Company	ZL201911389489.5	Invention	February 12, 2021	20 years
2	A product specifically targeting immune cell activation/proliferation stimulation, its preparation and application* (一種特異性針對免疫細胞激活/增殖刺激的產品、製備及應用).	Our Company	ZL202310491987.0	Invention	March 22, 2024	20 years

No.	Patent name	Patentee(s)	Patent no.	Patent type	Date of authorization	Validity period
3	Anti-idiotype antibody for detecting Anti-CD19 CAR expression* (檢測Anti-CD19 CAR表達水平的抗獨特性抗體及其應用).	Our Company	ZL202110019987.1	Invention	April 13, 2021	20 years

As at the Latest Practicable Date, we have filed the following patent applications in the PRC which, in the opinion of our Directors, are material in relation to our Company's business:

No.	Patent name	Patentee(s)	Application no.	Patent type	Application date
1.	Antibodies Against (G4S)n Linker and Their Applications* (抗(G4S)nLinker 的抗體及其應用).	Our Company	CN202610469017.4	Invention	April 9, 2026
2.	A peptide and its application in the preparation of endotoxin detection kits* (一種多肽及其在內毒素檢測試劑盒製備中的應用)	Our Company and an Independent Third Party	CN202411657140.6	Invention	November 19, 2024
3.	A type of nanoparticle and its application in detecting CAR-positive expression* (一種納米顆粒及其檢測 CAR 陽性表達率的應用).	Our Company	CN202280020744.2	Invention	July 21, 2022
4.	Enhanced Activity Modified Laminin 521 Protein and Its Applications* (活性增強的改造型Laminin 521蛋白及應用)	Our Company	CN202480089520.6	Invention	September 11, 2026
5.	Whitlow218 Linker Specific Antibody and Its Applications* (Whitlow218 Linker 特異性抗體及其應用).	Our Company and ACROBio AG	CN202511444478.8	Invention	October 10, 2025
6.	Protein Expression Level Prediction Method, Apparatus, and System* (蛋白質表達水準的預測方法、裝置和設備)	Our Company	CN202511365386.0	Invention	September 23, 2025
7.	Engineered Laminin Proteins and Their Applications* (改造型Laminin蛋白及應用) .	Our Company and ACROBio AG	CN202511613959.7	Invention	November 6, 2025

(c) Domain Names

As at the Latest Practicable Date, we have registered the following domain names in the PRC which, in the opinion of our Directors, are material to our business:

No.	Domain name	Registrant	Date of registration	Expiration date
1	acrobiosystems.cn	our Company	December 22, 2015	December 22, 2030
2	acro.cn	our Company	May 18, 2014	May 18, 2034

(d) Software Copyrights

As at the Latest Practicable Date, we have registered the following copyrights in the PRC which, in the opinion of our Directors, are material to our business:

No.	Copyright	Registrant	Registration no.	Registration date
1	Protein Solubility Intelligent Prediction Software V1.0* (蛋白質溶解性智能預測軟件V1.0)	Our Company	2025SR0734939	May 7, 2025
2	Protein Expression Level Intelligent Prediction Software V1.0* (蛋白質表達量智能預測軟件V1.0)	Our Company	2025SR0734945	May 7, 2025

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of interest

(1) Disclosure of interests of Directors and chief executive of our Company

The following table sets out the interests and short positions of our Directors and chief executive of our Company immediately following completion of the **[REDACTED]** in our Shares, underlying Shares or debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to us and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, once our H Shares are **[REDACTED]**:

Interests and short positions in the Shares, underlying Shares and debentures and associated corporations:

				Approximate percentage of interest	
Name	Capacity/ Nature of Interest	Description of Shares	Number of Shares	In the relevant type of Shares upon the completion of the [REDACTED][(1)]	In the total share capital of our Company upon the completion of the [REDACTED][(1)]
Mr. Chen[(2)]	Beneficial owner	A Shares	[39,537,053]	**[REDACTED]**%	**[REDACTED]**%
	Interests held jointly with another person	A Shares	[14,633,249]	**[REDACTED]**%	**[REDACTED]**%

Name	Capacity/ Nature of Interest	Description of Shares	Number of Shares	Approximate percentage of interest	
				In the relevant type of Shares upon the completion of the [REDACTED][(1)]	In the total share capital of our Company upon the completion of the [REDACTED][(1)]
	Interest in the controlled corporations	A Shares	[15,178,987]	**[REDACTED]**%	**[REDACTED]**%
Mr. Miao[(2)]	Beneficial owner	A Shares	[14,633,249]	**[REDACTED]**%	**[REDACTED]**%
	Interests held jointly with another person	A Shares	[54,716,040]	**[REDACTED]**%	**[REDACTED]**%

Notes:

(1) Assuming the **[REDACTED]** is not exercised and no additional Shares are issued pursuant to our Restricted A-Share Incentive Plans. The 20,000 A Shares held by our Company as treasury shares are included for the purpose of calculation of the shareholding percentages.

(2) Details of the interest held by Mr. Chen and Mr. Miao are set out in "Substantial Shareholders" of this document.

(2) Substantial Shareholders

(i). Interests of the substantial Shareholders in the Shares

Save as disclosed in "Substantial Shareholders" of this document, immediately following the completion of the **[REDACTED]**, our Directors are not aware of any other person (not being a Director or chief executive of our Company) who will have an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of our Company.

(ii). Interests of the substantial shareholders of any members of our Group (except our Company)

Our Directors are not aware of any persons (not being a Director or chief executive of our Company) who would, immediately following the completion of the **[REDACTED]** be directly or indirectly interested in 10% or more of the issued voting shares of any member of our Group (except our Company).

2. Particulars of the Directors' Service Contracts

Each of the Directors [entered into] a service contract or a letter of appointment with our Company. The principal particulars of these service contracts and letters of appointment comprise (i) the terms of the services and (ii) termination provisions in accordance with their respective terms. The service contracts and letters of appointment may be renewed in accordance with the Articles of Association and the applicable laws, rules and regulations.

Save as disclosed above, none of our Directors has or is proposed to have a service contract with any member of our Group (other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation)).

3. Remuneration of Directors

In 2023, 2024, 2025 and the seven months ended July 31, 2026, the aggregate of the remuneration accrued and benefits in kind granted to our Directors by us and our subsidiaries was RMB2,558,000, RMB5,021,000, RMB6,285,000 and RMB3,293,000, respectively.

Save as disclosed above, no other emoluments have been paid or are payable in 2023, 2024, 2025 and the seven months ended July 31, 2026 by us to our Directors.

Under the arrangements currently in force, we estimate that the aggregate remuneration payable to, and benefits in kind receivable by, our Directors (excluding discretionary bonus) for the year ending December 31, 2026 will be approximately RMB7.76 million.

4. Agency fees or commissions received

Save as disclosed in "**[REDACTED]**" in this document, no commissions, discounts, agency fee, brokerages or other special terms in connection with the issue or sale of any capital of any member of our Group was granted within the two years immediately preceding the date of this document.

5. Disclaimers

(a) Save as disclosed in this Appendix, none of our Directors or our chief executive has any interest or short position in the Shares, underlying Shares or debentures of us or any of our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to us and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers once the H Shares are **[REDACTED]** on the Stock Exchange;

(b) Save as disclosed in this Appendix, none of our Directors is a director or employee of a company which is expected to have an interest in the Shares falling to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO once the H Shares are **[REDACTED]** on the Stock Exchange;

(c) Save as disclosed in this Appendix, none of our Directors nor any of the parties listed in the section headed "E. Other Information — 8. Qualifications and Consents of Experts" in this Appendix is interested in the promotion of our Company, or in any assets which have been, within the two years immediately preceding the date of this document, acquired or disposed of by or leased to our Company or any of our subsidiaries, or are proposed to be acquired or disposed of by or leased to our Company or any of our subsidiaries;

(d) None of our Directors nor any of the parties listed in the section headed "E. Other Information — 8. Qualifications and Consents of Experts" in this Appendix is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to our business;

(e) Save in connection with the **[REDACTED]**, none of the parties listed in the section headed "E. Other Information — 8. Qualifications and Consents of Experts" in this Appendix: (i) is interested legally or beneficially in any securities of our Company or any of our subsidiaries; or (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of our Company or any of our subsidiaries; and

(f) None of our Directors or their respective close associates (as defined in the Listing Rules) or the existing Shareholders (who, to the knowledge of our Directors, owns more than 5% of our issued share capital) has any interest in any of the five largest customers or the five largest suppliers of our Group in each year/period during the Track Record Period.

D. RESTRICTED A-SHARE INCENTIVE PLANS

The following is a summary of the principal terms of our Restricted A-Share Incentive Plans comprising the 2022 Restricted A-share Incentive Plan, the 2023 Restricted A-share Incentive Plan and the 2025 Restricted A-share Incentive Plan. The terms of the 2022 Restricted A-share Incentive Plan and 2023 Restricted A-share Incentive Plan are not subject to the provisions of Chapter 17 of the Listing Rules as they do not involve any grant of restricted A Shares by our Company after our **[REDACTED]**. The terms of the 2025 Restricted A-share Incentive Plan are not subject to the provisions of Chapter 17 of the Listing Rules other than Rule 17.12 as they do not involve any grant of restricted A Shares by our Company after our **[REDACTED]** but are partially funded by our treasury Shares which are not listed on the Stock Exchange. Our Company will comply with applicable requirements under Rule 19A.39E of the Listing Rules as and when appropriate and required. Save as otherwise disclosed, the terms of each of the Restricted A-Share Incentive Plans are substantially similar and are summarized below.

(a) Purpose

The purpose of the Restricted A-Share Incentive Plans is to improve our Group's incentive mechanism and to attract and retain talents to achieve a sustained and healthy development of our Group in order to realize our Group's long-term objectives. The Restricted A-Share Incentive Plans are implemented to align the interests of our Shareholders with the interests of our Group and employees.

(b) Administration

The Restricted A-Share Incentive Plans are subject to the approval of the Shareholders' meeting, the administration of our Board and the supervision of the board of supervisors and independent Directors of our Company.

(c) Participants of the Schemes

The participants of our 2022 Restricted A-share Incentive Plan and the 2023 Restricted A-share Incentive Plan include the directors, senior management and key technical or business staff of our Company and our subsidiaries. The participants of our 2025 Restricted A-share Incentive Plan include the key technical or business staff of our Company and our subsidiaries. The scope of participants of our Restricted A-Share Incentive Plans excludes independent directors and supervisors.

(d) Source and Maximum Number of Shares

For our 2022 Restricted A-share Incentive Plan, the underlying A Shares are the A Shares to be issued by our Company. For our 2023 Restricted A-share Incentive Plan and 2025 Restricted A-share Incentive Plan, the underlying A Shares are the A Shares to be issued by our Company and/or repurchased by our Company. Each restricted Share granted represents the right to purchase one A Share within the agreed period at the grant price. The restricted Shares are subject to a vesting period and will only be vested upon fulfilling the vesting conditions stipulated. The maximum number of restricted Shares that can be granted under each of the Restricted A-Share Incentive Plans is as follows:

Restricted Share Incentive Plan	Maximum number of restricted Shares to be granted under the Plan[1]
2022 Restricted A-share Incentive Plan	800,000[2]
2023 Restricted A-share Incentive Plan	1,560,000[3]
2025 Restricted A-share Incentive Plan	1,460,000[4]

Notes:

(1) The number of the restricted Shares to be granted or vested under the respective plan will be adjusted in case of transfer from capital reserves to share capital, distribution of dividends, share split, allotment of shares, share consolidation, etc.

(2) 800,000 restricted Shares under the 2022 Restricted A-share Incentive Plan include 160,000 retained restricted Shares, the grantees of which shall be determined within 12 months after the approval of the 2022 Restricted A-share Incentive Plan by the Shareholders' meeting (the "**2022 Retained Restricted Shares**").

(3) 1,560,000 restricted Shares under the 2023 Restricted A-share Incentive Plan include 251,030 retained restricted Shares, the grantees of which shall be determined within 12 months after the approval of the 2023 Restricted A-share Incentive Plan by the Shareholders' meeting (the "**2023 Retained Restricted Shares**").

(4) 1,460,000 restricted Shares under the 2025 Restricted A-share Incentive Plan include 257,310 retained restricted Shares, the grantees of which shall be determined within 12 months after the approval of the 2025 Restricted A-share Incentive Plan by the Shareholders' meeting (the "**2025 Retained Restricted Shares**").

(e) Date of Grant and Term of the Restricted A-Share Incentive Plans

The date on which the restricted Shares are granted shall be determined by the Board after the approval of the Restricted A-Share Incentive Plans by the Shareholders' meeting. Under our Restricted A-Share Incentive Plans, the initial grant of restricted Shares shall be announced within 60 days after the approval of such plan by the Shareholders' meeting. The Restricted A-Share Incentive Plans shall be effective from the date of the initial grant of restricted Shares under the plans up to the date when all of the restricted Shares granted under the plans have been vested or void and lapsed, provided that the term of the plans shall not exceed 60 months.

(f) Lock-up for Directors and Senior Management

If the grantee is a Director or a member of senior management of our Company,

(i) during their employment with our Company, the Shares to be transferred in each year shall not exceed 25% of the total Shares he or she holds;

(ii) no Share held by such Director or senior management can be transferred within six months after termination of his or her employment with our Company;

(iii) income gained through sale of Shares within six months of the purchase or purchase of Shares within six months of the sale shall belong to our Company and will be forfeited by the Board; and

(iv) if there is any change in the applicable laws and regulations on the foregoing lock-up requirements, the grantee shall comply with the amended laws and regulations.

(g) Conditions to the Grant of Restricted Shares

The restricted Shares under the Restricted A-Share Incentive Plans will only be granted to selected participants if the following conditions are fulfilled:

(i) with respect to our Company, none of the following circumstances having occurred:

(1) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountant with respect to our Company's accountants' report for the most recent fiscal year;

(2) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountant with respect to the internal control of the financial report for the most recent fiscal year;

(3) our Company has not distributed dividends in accordance with the laws and regulations, our Articles of Association or our public commitment within the last 36 months after its listing;

(4) applicable laws and regulations prohibit the implementation of share incentive; or

(5) other circumstances determined by the CSRC; and

(ii) with respect to a grantee, none of the following circumstances having occurred:

(1) the grantee has been regarded as an inappropriate person by the stock exchange within the last 12 months;

(2) the grantee has been regarded as an inappropriate person by the CSRC and its local office within the last 12 months;

(3) the grantee has received administrative penalty or been prohibited from entering into the securities market by the CSRC and its local office due to material non-compliance with applicable laws and regulations within the last 12 months;

(4) the grantee is not qualified to serve as a director or senior management according to the PRC Company Law;

(5) the grantee is prohibited from participating in any share incentive of listed companies according to applicable laws and regulations; or

(6) other circumstances determined by the CSRC.

(h) Vesting of the Shares

The restricted Shares will only be vested when (i) the conditions set out under paragraph (g) above are fulfilled; (ii) the grantee has served our Group for more than 12 months; and (iii) the annual assessment and performance targets as set out under the respective Restricted A-Share Incentive Plans are achieved.

The restricted Shares (other than the Retained Restricted Shares) will be vested in accordance with the vesting schedule as set out under the Restricted A-Share Incentive Plans as follows:

(i) under the 2022 Restricted A-share Incentive Plan and the 2023 Restricted A-share Incentive Plan, vested in tranches of 30%, 30% and 40% in each of the three vesting periods that occur between the first trading date after 12 months from the date of grant and the last trading day up to 48 months from the date of grant, respectively; and

(ii) under the 2025 Restricted A-share Incentive Plan, vested in tranches of 40%, 30% and 30% in each of the three vesting periods that occur between the first trading date after 12 months from the date of grant and the last trading day up to 48 months from the date of grant, respectively.

The 2022 Retained Restricted Shares, the 2023 Retained Restricted Shares and the 2025 Retained Restricted Shares shall be vested in tranches of 50% in each of the two vesting periods that occur between the first trading date after 12 months from the date of grant and the last trading day up to 36 months from the date of grant.

(i) Outstanding Restricted Shares

As of the Latest Practicable Date, the number of outstanding restricted Shares granted under the Restricted A-Share Incentive Plans as resolved by our Board was [1,302,642], representing approximately **[REDACTED]**% of the total issued Shares (including 20,000 A Shares as treasury shares) immediately following completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised and no additional Shares are issued pursuant to our Restricted A-Share Incentive Plans). Assuming full vesting of all outstanding restricted Shares and the restricted Shares to be issued by the Company, the shareholding of our Shareholders immediately following completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised and no additional Shares are issued

pursuant to the Restricted A-Share Incentive Plans) will be diluted by approximately **[REDACTED]**%. The earnings per Share of the Group for the seven months ended July 31, 2026 would remain almost unaffected as result of the vesting of all outstanding restricted Shares.

As of the Latest Practicable Date, there are no outstanding restricted Shares granted to Directors or senior management of our Company. The table below sets forth the details of outstanding restricted Shares granted to other grantees (excluding Directors and senior management of our Company) under the Restricted A-Share Incentive Plans as of the Latest Practicable Date:

Restricted A-share Incentive Plan	Number of grantees	Date of grant	Vesting period	Grant price	Number of outstanding restricted Shares	As an approximate percentage of issued share capital upon completion of [REDACTED][(1)]
2025 Restricted A-share Incentive Plan	168	June 12, 2025	Note[(2)]	RMB17.31	964,842	[REDACTED]%
	54	May 21, 2026	Note[(3)]	RMB17.31	337,800	[REDACTED]%

Notes:

(1) Assuming the **[REDACTED]** is not exercised and no additional Shares are issued pursuant to our Restricted A-Share Incentive Plans. The 20,000 A Shares held by our Company as treasury shares are included for the purpose of calculation of the shareholding percentages.

(2) The relevant restricted Shares granted under the 2025 Restricted A-share Incentive Plan shall be vested in tranches of 40%, 30% and 30% in each of the three vesting periods that occur between the first trading date after 12 months from the date of grant and the last trading day up to 48 months from the date of grant, respectively.

(3) The relevant restricted Shares granted under the 2025 Restricted A-share Incentive Plan shall be vested in tranches of 50% and 50% in each of the two vesting periods that occur between the first trading date after 24 months from the date of grant and the last trading day up to 36 months from the date of grant, respectively.

E. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to impose on our Company or any of our subsidiaries under the laws of the PRC.

2. Litigation

As of the Latest Practicable Date, save as disclosed in "Business — Legal Proceedings and Compliance," our Company was not engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to our Directors to be pending or threatened by or against us, that would have a material adverse effect on our results of operations or financial conditions.

3. Sole Sponsor

The Sole Sponsor has made an application on our behalf to the Listing Committee of the Stock Exchange for the **[REDACTED]** of, and **[REDACTED]**, the H Shares to be **[REDACTED]** as mentioned in this document. All necessary arrangements have been made enabling the H Shares to be admitted into **[REDACTED]**.

The Sole Sponsor satisfies the independence criteria applicable to the sponsor as set out in Rule 3A.07 of the Listing Rules. The Sole Sponsor will receive an aggregate fee of US$400,000 to act as the sponsor to our Company in connection with the **[REDACTED]**.

4. Compliance Advisor

Our Company [has appointed] Alliance Capital Partners Limited as our compliance advisor in compliance with Rule 3A.19 of the Listing Rules.

5. Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred material preliminary expenses in relation to the incorporation of our Company.

6. Taxation of holder of H Shares

The **[REDACTED]** and **[REDACTED]** of H Shares registered with our **[REDACTED]** will be subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.1% of the consideration of or, if higher, of the fair value of the H Shares being **[REDACTED]**. For further details in relation to taxation, see Appendix III to this document.

7. Promoters

The information of our promoters when we were established as a joint stock limited company is as follows:

No.	Name of Promoter	Number of Shares held upon our establishment	Shareholding percentage upon our establishment
			%
1.	Mr. Chen	18,827,200	31.38
2.	Anyi ACRO	7,990,500	13.32
3.	Mr. Miao	7,138,500	11.90
4.	Yan Changwei (閆長偉)	3,728,900	6.21
5.	Wang Miaochun (王妙春)	3,622,400	6.04
6.	Nanjing Gaoke Xinjun	3,551,300	5.92
7.	Hangzhou Jushang Medical	2,978,900	4.96
8.	Ningbo Lanting Vision	2,509,000	4.18
9.	Xinchang Puhua	1,939,000	3.23
10.	Shenzhen Sharing	1,598,100	2.66
11.	Shuntian Xinrong	1,350,000	2.25
12.	Anyi Baipujiale	1,222,900	2.04
13.	Rongfeng Kaiyuan Tianyi	1,050,000	1.75
14.	Tibet Tongchuang	1,025,700	1.71
15.	Rongfeng Kaiyuan Zhonghe	975,000	1.62
16.	Shen Qinhua (沈琴華)	312,600	0.52
17.	Lin Tao (林濤)	180,000	0.30

Save as disclosed in the section headed "History and Corporate Structure" in this document, within the two years immediately preceding the date of this document, no cash, securities, amount or benefit has been paid, allotted or given, or has been proposed to be paid, allotted or given, to any of the promoters named above in connection with the **[REDACTED]** or the related transactions described in this document.

8. Qualifications and Consents of Experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this document:

Name	Qualification
China Merchants Securities (HK) Co., Limited	A licensed corporation under the SFO for Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) of the regulated activities as defined under the SFO
Llinks Law Offices	Legal advisors to our Company as to PRC law
Rongcheng (Hong Kong) CPA Limited	Certified public accountants and registered public interest entity auditor
Frost & Sullivan (Beijing), Inc., Shanghai Branch Co.	Independent industry consultant
Morgan, Lewis & Bockius LLP	Legal advisors to our Company as to U.S. law
Kellerhals Carrard Bern KlG	Legal advisors to our Company as to Swiss law
D&A LLC	Legal advisors to our Company as to South Korean law
Thümmel Schütze	Legal advisors to our Company as to Germany law
Raymond Legal	Legal advisors to our Company as to the United Kingdom (England and Wales) law
Ms. Queenie W.S. Ng	Legal advisors to our Company as to Hong Kong law
Ernst & Young (China) Advisory Limited Beijing Branch Office	Transfer pricing consultant
King & Wood	International Sanctions Counsel

Each of the experts listed above has given and has not withdrawn its written consent to the issue of this document with the inclusion of its report and/or letter and/or opinion and/or references to its name and qualifications included herein in the form and context in which they respectively appear.

None of the experts named above has any shareholding interests in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

9. Binding Effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (WUMP) Ordinance so far as applicable.

10. Bilingual Document

The English language and the Chinese language versions of this document are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

This document is written in the English language and contains a Chinese translation for information purpose only. Should there be any discrepancy between the English language of this document and the Chinese translation, the English language version of this document shall prevail.

11. No Material Adverse Change

Our Directors confirm that there has been no material adverse change in our Company's financial or trading position or prospects since July 31, 2026 (being the date to which our latest consolidated financial statements were made up).

12. Miscellaneous

(a) Within the two years immediately preceding the date of this document:

(i) save as disclosed in "Share Capital" and "Structure of the **[REDACTED]**" in this document and in Appendix VI, no share or loan capital of our Company or any of its subsidiaries has been issued or agreed to be issued or is proposed to be fully or partly paid either for cash or a consideration other than cash;

(ii) save in connection with the **[REDACTED]**, no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of its subsidiaries; and

(iii) save in connection with the **[REDACTED]**, no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share or debenture in our Company;

(b) No share or loan capital of our Company or any of its subsidiary is under option or is agreed conditionally or unconditionally to be put under option;

(c) No founder, management or deferred shares of our Company or any of its subsidiary have been issued or have been agreed to be issued;

(d) Our Company has no outstanding convertible debt securities or debentures;

(e) The English text of this document shall prevail over their respective Chinese text;

(f) There is no arrangement under which future dividends are waived or agreed to be waived;

(g) There has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document;

(h) Save for the A Shares that are listed on the ChiNext Market and the proposed **[REDACTED]** on the Stock Exchange, none of our equity and debt securities is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought; and

(i) Our Company is a joint stock limited company and is subject to the PRC Company Law.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

(a) a copy of the material contracts referred to in "B. Further Information about Our Business — 1. Summary of Material Contracts" in Appendix VI to this document; and

(b) the written consents referred to in "E. Other Information — 8. Qualifications and Consents of Experts" in Appendix VI to this document.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be on display on the website of the Stock Exchange at **www.hkexnews.hk** and our website at **www.acrobiosystems.cn** during a period of 14 days from the date of this document:

(1) the Articles of Association;

(2) the Accountants' Report from Rongcheng (Hong Kong) CPA Limited, the text of which is set out in Appendix I to this document;

(3) the audited financial statements of the Group for each of the years ended December 31, 2023, 2024 and 2025 and the seven months ended July 31, 2026;

(4) the report on unaudited **[REDACTED]** financial information from Rongcheng (Hong Kong) CPA Limited, the texts of which is set out in Appendix II to this document;

(5) the PRC legal opinions prepared by Llinks Law Offices, our legal advisors as to the PRC law, in respect of certain aspects of our Group;

(6) the U.S. legal opinions and legal memorandum prepared by Morgan, Lewis & Bockius LLP, our legal advisors as to the U.S. law, in respect of certain aspects of our Group;

(7) the Swiss legal opinions prepared by Kellerhals Carrard Bern KlG, our legal advisors as to the Swiss law, in respect of certain aspects of our Group;

(8) the legal opinion prepared by D&A LLC, our legal advisors as to the South Korean law, in respect of certain aspects of our Group;

(9) the legal opinion prepared by Thümmel Schütze, our legal advisors as to the Germany law, in respect of certain aspects of our Group;

(10) the legal opinion prepared by Raymond Legal, our legal advisors as to the United Kingdom (England and Wales) law, in respect of certain aspects of our Group;

(11) the legal opinion prepared by Ms. Queenie W.S. Ng, our legal advisors as to the Hong Kong law, in respect of certain aspects of our Group;

(12) the legal opinion prepared by King & Wood, our international sanction counsel, in respect of certain aspects of our Group;

(13) the report prepared by Ernst & Young (China) Advisory Limited Beijing Branch Office, our independent transfer pricing consultant;

(14) the PRC Company Law, the PRC Securities Law, and the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies together with their unofficial English translations;

(15) the material contracts referred to in "B. Further Information about Our Business — 1. Summary of Material Contracts" in Appendix VI to this document;

(16) the written consents referred to in "E. Other Information — 8. Qualifications and Consents of Experts" in Appendix VI to this document;

(17) the service contracts and letters of appointment with Directors, referred to in "C. Further Information about Our Directors and Substantial Shareholders — 2. Particulars of the Directors' Service Contracts" in Appendix VI to this document; and

(18) the industry report issued by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., the summary of which is set forth in "Industry Overview" in this document.