Post Hearing Information Pack of

Alebund Pharmaceuticals (Jiangsu) Limited
禮邦醫藥(江蘇)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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Alebund Pharmaceuticals (Jiangsu) Limited
禮邦醫藥(江蘇)股份有限公司

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

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[REDACTED]	**:**	**HK$[REDACTED] per [REDACTED], plus brokerage of 1.0%, AFRC transaction levy of 0.00015%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.00565% (payable in full on [REDACTED] in Hong Kong dollars and subject to refund)**
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IMPORTANT

[**REDACTED**]

IMPORTANT

[**REDACTED**]

EXPECTED TIMETABLE[1]

[**REDACTED**]

EXPECTED TIMETABLE[1]

[**REDACTED**]

EXPECTED TIMETABLE[1]

[**REDACTED**]

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SUMMARY

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

In particular, we are a biotechnology company seeking to [**REDACTED**] *on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules as we do not meet the requirements under Rules 8.05(1), (2) or (3) of the Listing Rules. The product candidate (AP301) is designated as the Core Product for the purpose of satisfying the eligibility requirements under Chapter 18A and Chapter 2.3 of the Guide. There are unique challenges, risks and uncertainties associated with* [**REDACTED**] *in companies like ours. Notably, our Core Product is in the early stages of clinical development. We may continue to incur substantial costs and expenses in relation to R&D activities for the Core Product and our Core Product may not be successfully developed or marketed. Your* [**REDACTED**] *decision should be made in light of these considerations.*

OVERVIEW

Founded in 2018, we are a biopharmaceutical company providing renal therapies. Our product portfolio in clinical and preclinical stages consists of one Core Product AP301 and six other product candidates, including one late-clinical-stage product candidate (AP306), one early-clinical-stage product candidate (AP303), and four preclinical product candidates (AP308, AP304, AP305, and AP307) as of the Latest Practicable Date.

Our sole Core Product, AP301 (full global rights acquired from Vidasym in 2021), is classified as a Class 1 new chemical drug in China. AP301 is a phosphate binder for the treatment of hyperphosphatemia, one of the most prevalent complications of CKD with large medical needs, in CKD patients receiving dialysis. AP301 completed a China registrational Phase III trial with near-term new drug application ("**NDA**") submission expected and is currently undergoing a global Phase III pivotal multi-regional clinical trial ("**MRCT**") in the U.S. and China.

AP306 is a differentiated pan-phosphate transporter inhibitor for hyperphosphatemia in CKD patients receiving dialysis that we acquired from Chugai and received Breakthrough Therapy Designation ("**BTD**") from the NMPA. AP303 is a differentiated disease-modifying agent to delay or halt the disease progression in patients of autosomal dominant polycystic kidney disease ("**ADPKD**"), IgA nephropathy ("**IgAN**"), diabetic kidney disease ("**DKD**") and focal segmental glomerulosclerosis ("**FSGS**"), which are all subtypes of CKD, and received the FDA Orphan Drug Designation ("**ODD**") for ADPKD. AP308 is a differentiated engineered recombinant immunoglobulin A ("**IgA**") protease aiming for functional cure of IgAN. We developed AP308 based on an IgA protease licensed from PUFH. AP301 and AP306 were in-licensed from third parties, and our remaining product candidates are self-discovered and self-developed. Mircera®, developed by Roche, is a long-acting erythropoietin ("**EPO**") approved for the treatment of anemia in CKD patients. We retain exclusive commercialization rights of Mircera® in Chinese Mainland. All of our products are designed as first-line treatment in CKD patients (i.e., to be prescribed once the approved indication is diagnosed, without regard to whether the patient has received any prior treatment).

WE MAY NOT BE ABLE TO SUCCESSFULLY DEVELOP AND/OR MARKET OUR CORE PRODUCT.

Program	MoA[1]	Category[2]	Indications / Line of Treatment	Preclinical / IND-Enabling	Phase I	Phase II	Phase III	NDA	Regulatory Authority(ies)	Trial Location	Upcoming Milestones[5]	Source	Commercial Rights
AP301 ★	Phosphate Binder	Chemical Drug	Hyperphosphatemia in DD-CKD patients / 1L	Completed China PhIII in June 2025					China NMPA		China NDA submission in June 2026	Acquired (Vidasym)	Global^
				Enrollment for global PhIII MRCT completed in May 2026					U.S. FDA		Global Phase III MRCT completion expected in Q2 2027[6] NDA submission in Q3 2027		
AP306	Pan-phosphate Transporter Inhibitor	Chemical Drug	Hyperphosphatemia in DD-CKD patients / 1L	Initiated global PhIIb MRCT in May 2026					U.S. FDA China NMPA		Global Phase IIb MRCT completion expected in Q2 2027[7]	In-licensed (Chugai)	Greater China (Alebund) Ex-China (R1 Therapeutics)[11]†
AP303	Dual PPAR Agonist	Chemical Drug	DKD with high proteinuria / 1L	IND cleared for US + CN PhII					U.S. FDA China NMPA[4]		A basket Phase II trial for DKD and IgAN patients with high proteinuria is expected to be initiated in Q3 2026[8] Additional Phase II trials for ADPKD and FSGS are expected to be initiated in Q4 2026 and Q1 2027, respectively	Self-developed	Global
			IgAN with high proteinuria / 1L	IND cleared for US + CN PhII					U.S. FDA China NMPA[4]				
			FSGS / 1L	CN + EU +AU PhII MRCT planned[3]					U.S. FDA China NMPA EU EMA[4]				
			ADPKD / 1L	CN + EU +AU PhII MRCT planned[3]					U.S. FDA China NMPA EU EMA[4]				
AP308	IgA Protease	Biologics	IgAN / 1L						U.S. FDA China NMPA		IND submission and Phase I initiation expected in Q3 2026 Phase I completion expected in Q2 2027	Collaboration[10] (PUFH)	Global
AP304	Serine Protease	Biologics	AKI & AIS / 1L						/	/	IND submission in 2027	Self-developed	Global
AP305	CFB Inhibitor	Chemical Drug	IgAN & others / 1L						/	/	IND submission in 2027	Self-developed	Global
AP307	Complement Pathway Inhibitor	Chemical Drug	MPGN / 1L						/	/	/[9]	Self-developed	Global

★ Core Product U.S. FDA Orphan Drug Designation China NMPA Breakthrough Therapy Designation

Notes: Abbreviations: MoA = Mechanism of Action, IND = Investigational New Drug, NDA = New Drug Application, DD-CKD = Dialysis-dependent Chronic Kidney Disease, NMPA = National Medical Products Administration of the PRC, FDA = U.S. Food and Drug Administration, MRCT = Multi-Regional Clinical Trial, PPAR = Peroxisome Proliferator-activated Receptor, DKD = Diabetic Kidney Disease, IgA = Immunoglobulin A, IgAN = IgA Nephropathy, FSGS = Focal Segmental Glomerulosclerosis, EMA = European Medicines Agency, ADPKD = Autosomal Dominant Polycystic Kidney Disease, AKI = Acute Kidney Injury, AIS = Acute Ischemic Stroke, CFB = Complement Factor B, MPGN = Membranoproliferative Glomerulonephritis

(1) All of Alebund's products / product candidates are orally administered, except for AP308 and AP304 (intravenous or subcutaneous) and AP601 (subcutaneous); (2) All of Alebund's products / product candidates are first line therapies and Class 1 New Drugs, except for AP601 which is an Original Imported Drug; (3) Phase II trial planned, Phase II IND approval granted by the NMPA, and IND application for the Phase II trial planned to be submitted to EU EMA and Australia TGA in the third quarter of 2026; (4) Phase I trials for AP303 were conducted in China and Australia, and upcoming Phase II trials will be conducted in the U.S. and China for DKD and IgAN with high proteinuria, and in China, Europe, and Australia for FSGS and ADPKD; (5) Alebund acts as sponsor for all ongoing and planned clinical trials of its product candidates; (6) The FDA's grant of IND clearance for the Phase III MRCT was based on the results of the Phase II clinical trial of AP301 in China and the Phase I clinical trial of AP301 in Australia; (7) Alebund plans to leverage AP306's global Phase IIb MRCT data to directly support China NDA submission, potentially eliminating the need for a separate China Phase III trial; (8) Pharmacokinetic bridging studies demonstrated no ethnic differences, and Phase Ib data confirmed AP303's renal hemodynamic effect, supporting the initiation of an exploratory Phase II study directly in the patient population; (9) IND application date not yet confirmed; (10) AP308 is internally engineered by Alebund based on a prototype licensed from PUFH; (11) Alebund directly owns the rights of AP306 in Chinese Mainland, Hong Kong, Macau and Taiwan. Alebund owns the ex-China rights through its joint venture R1 Therapeutics

^ Alebund has partnered with Vidasym and obtained the full China and global rights relating to AP301 in 2018 and 2021, respectively, with no future royalty obligations from Vidasym via a series of transactions (low double digit million of U.S. dollars paid in total)

† Alebund has partnered with Chugai and has the exclusive right to develop, manufacture, and commercialize AP306 (formerly EOS789) globally. Under the agreement, Chugai is entitled to receive an upfront license payment and milestone payments up to a single-digit millions of U.S. dollars based on achievement of certain predetermined milestones relating to regulatory approval and commercial sales, with additional royalty payments linked to annual net sales of AP306 after its expected launch

OUR PRODUCT PIPELINE

Chronic Kidney Disease Complications Treatment Portfolio

AP301: Our Core Product: An Oral Phosphate Binder for the Treatment of Hyperphosphatemia

Our Core Product AP301 is under clinical development for the treatment of hyperphosphatemia, standing out due to its consistent phosphate-lowering capacity and safety profile. Oral phosphate binders, which reduce serum phosphorus by binding to phosphate in the gastrointestinal ("**GI**") tract, are currently the primary class of pharmacological interventions treating hyperphosphatemia. Compared with other phosphate binders, AP301 provides high phosphate-binding capacity, with no need to chew before swallowing, low volume expansion when exposed to gastric fluid and no systemic absorption. These attributes contribute to a lower pill burden, improved tolerability and enhanced patient compliance.

AP301 achieved a reduction in serum phosphate level in CKD patients receiving maintenance dialysis. In a completed China Phase III clinical trial, AP301 reduced the serum phosphorus level by 2.22 mg/dL, compared to 2.17 mg/dL for sevelamer carbonate at week 12. Moreover, AP301 achieved persistent serum phosphate reduction over 52 weeks (a higher serum phosphate response rate in the AP301 arm (66.7%) compared to the sevelamer carbonate arm (58.6%)), suggesting its long-term therapeutic effect. Also, we initiated a Phase III MRCT in the U.S. and China. We intend to use the results of the Phase III clinical trial in China for seeking regulatory approval of AP301 by the NMPA and use the results of the Phase III MRCT for seeking regulatory approval of AP301 by the FDA. We expect to file an NDA for AP301 with the NMPA in June 2026.

For details of the clinical trial protocols of AP301, please refer to "Business — AP301: Our Core Product, An Oral Phosphate Binder for the Treatment of Hyperphosphatemia — Material Communications with Competent Authorities." We hold the global rights for the development, manufacture and commercialization of AP301.

AP306: A Differentiated Pan-Phosphate Transporter Inhibitor

AP306 is the world's first and, as of the Latest Practicable Date, the only pan-phosphate transporter inhibitor in clinical development for the treatment of hyperphosphatemia. In June 2024, the NMPA granted BTD to AP306 for the treatment of hyperphosphatemia in patients with CKD.

In the completed China Phase II clinical trial, AP306 monotherapy demonstrated a mean serum phosphate reduction of 2.51 mg/dL, with nearly 95% of patients had their serum phosphate levels controlled at less than 5.5 mg/dL by Week 7-8. This outperforms classic binders like Sevelamer, which brought around 50% of patients to the same clinically target control range by Week 7-8 in the same clinical trial. In the same Phase II trial, the most common AEs were GI disorders, mainly diarrhea. The discontinuation rate due to AEs was less than 5%. In addition, patients treated with AP306 required a lower mean daily dose than those receiving Sevelamer. We hold the global rights for the development, manufacture and commercialization of AP306.

Addressable Markets and Competitive Landscape of our Core Product and AP306

Hyperphosphatemia caused by renal insufficiency affects about 95% of dialysis-dependent CKD patients and about 15% of non-dialysis dependent CKD patients. Elevated serum phosphorus levels are strongly correlated with all-cause mortality in dialysis patients. The treatment of hyperphosphatemia mainly relies on phosphate binders, as the effects of dialysis and dietary phosphorus restriction are limited. However, despite the widespread use of phosphate binders, 76% and 52% of dialysis patients in China and U.S., respectively, suffer from an uncontrolled serum phosphorus level. Also, existing phosphate binders generally suffer from frequent GI side effects, high pill burden, systemic absorption and negative impact on normal physiological functions. As a result, the clinical adoption of phosphate binders remains at a low level.

The global market of hyperphosphatemia drugs reached US$1.8 billion in 2025 and is estimated to reach US$6.4 billion in 2035. The market of hyperphosphatemia drugs in China reached RMB1.8 billion in 2025 and is estimated to reach RMB10.7 billion in 2035.

As of the Latest Practicable Date, there were seven approved phosphate-lowering molecules, including five approved non-calcium phosphate-lowering molecules for hyperphosphatemia globally. A majority of them are phosphate binders which were launched over a decade ago. As of the Latest Practicable Date, there were only two clinical-stage molecules in pipeline for hyperphosphatemia with active global trials, according to CIC. They were AP301 and AP306, both acquired and further developed by us. For details, please refer to "Industry Overview — Overview of Hyperphosphatemia Market."

Mircera® (AP601): A New Choice for Chinese CKD Patients with Anemia

Mircera® (methoxy polyethylene glycol-epoetin beta) is a long-acting EPO used for the treatment of anemia associated with CKD. It is the first EPO approved for once-monthly administration worldwide. As of the Latest Practicable Date, Mircera® enjoyed market exclusivity, fortified by the absence of approved biosimilars. The market size of renal anemia drugs in China reached RMB6.2 billion in 2025 and is expected to reach RMB10.3 billion in 2035, at a CAGR of 5.2% from 2025 to 2035. Mircera® is the first-line recommended medication by global anemia treatment guidelines.

Mircera® was developed by Roche Pharmaceuticals Inc. ("**Roche**"). It has received marketing approval in U.S. and E.U. since 2017. The NMPA granted marketing approval of Mircera® in 2018. In October 2023, we entered into a supply and marketing agreement with Roche, under which we shall exclusively promote Mircera® in China. For more details, please refer to "Business — Major Collaboration Arrangements — Collaboration Arrangement with Roche Holding AG." Mircera® was included in the 2023 National Reimbursement Drug List ("**NRDL**") of China right after obtaining the commercialization rights in China. As of the Latest Practicable Date, Mircera® was listed in over 300 hospitals in China.

CKD Disease-Modifying Portfolio

AP303: A Differentiated Dual PPAR Agonist for Broad Renal Protection

AP303 is a differentiated disease-modifying agent to significantly delay or halt the progression of CKD. As a dual PPAR agonist, AP303 is designed to deliver broad renal protection across a wide spectrum of high-value indications, including among others, diabetic kidney disease ("**DKD**"), IgAN, ADPKD and focal segmental glomerulosclerosis ("**FSGS**"). It received the FDA ODD for ADPKD, underscoring its potential to transform the renal treatment landscape.

In the completed Phase I trials in Australia and China, AP303 was safe and well tolerated in healthy volunteers and there was clear and robust dose-related pharmacodynamic ("**PD**") signal. We have received IND clearance from the NMPA and the FDA to conduct a basket Phase II clinical trial in DKD and IgAN patients with high proteinuria. We developed AP303 internally and hold the global rights for its development, manufacture and commercialization.

AP308: A Differentiated Engineered Recombinant IgA Protease Aiming for Functional Cure for IgAN

AP308, a differentiated engineered recombinant IgA protease aiming for functional cure of IgAN. It acts as "molecular scissors" to remove the IgA and IgA complex in circulatory system as well as IgA complex deposited in the kidneys, directly targeting the underlying pathology of IgAN. This mechanism represents a differentiated approach to treating IgAN. We expect to obtain IND clearance and enter clinical development stage in China and the U.S. in the third quarter of 2026.

Other Preclinical Stage Product Candidates

We are advancing the development of multiple additional product candidates at the preclinical stage, including AP304, AP305 and AP307. For details, see "Business — Our Product Pipeline — Other Preclinical Stage Product Candidates".

OUR STRENGTHS

We believe the following strengths differentiate us from our competitors: (i) A biopharmaceutical company focused on advancing therapies in renal care; (ii) A portfolio of differentiated and effective therapeutics in CKD complications treatment with commercialization prospects; (iii) Expanded portfolio of CKD treatment paves way for sustainable growth; and (iv) Experienced leadership team with a proven track record and expertise in renal disease drug innovation.

OUR STRATEGIES

We plan to pursue the following considerable opportunities and execute our key strategies accordingly: (i) Expand R&D capabilities and accelerate clinical development of existing pipeline globally; (ii) Expedite entry into markets with tailored commercialization strategies for our portfolio; (iii) Enhance our manufacturing capabilities towards a full-fledged biopharmaceutical company; (iv) Proactively explore value accretive partnerships and alliances; and (v) Scale up our organization by attracting, training and retaining talents globally in the renal therapeutic fields and expand collaboration with renal experts.

MAJOR COLLABORATION ARRANGEMENTS

Collaboration Arrangement with Vidasym, Inc.

AP301 was initially developed by Vidasym, Inc. ("**Vidasym**"), which is a U.S.-based clinical-stage drug discovery and development company with a focus on CKD complications and osteoporosis. We obtained the full global rights relating to AP301 in 2021 with no future milestone and royalty obligations from Vidasym via a series of transactions.

In May 2018, we entered into an Assignment and License Agreement (the "**2018 Vidasym Agreement**"). Pursuant to the agreement, we acquired from Vidasym its entire right, title and interest in patent applications relating to AP301 in Chinese Mainland, Hong Kong and Taiwan, as well as the inventions described therein. In connection with arrangement, Shanghai Alebund shall issue certain equity interest equivalent to the parties involved, including Vidasym. For details, see "History, Development and Corporate Structure — Corporate Development and Major Shareholding Change — (1) Establishment and Historical Corporate Reorganization." In November 2019, we entered into an Equity Transfer Agreement with Vidasym. Pursuant to the agreement, Vidasym: (i) sold 37.5% of the equity interests it held in Shanghai Alebund to a wholly-owned subsidiary of Alebund Cayman and (ii) granted us an exclusive option to acquire all of Vidasym's global rights in the intellectual property regarding AP301, in exchange for our payment of single-digit millions of U.S. dollars. In June 2021, we entered into an Assignment Agreement with Vidasym. Pursuant to the agreement, we acquired from Vidasym the full global rights regarding AP301, in exchange for our payment of low double-digit millions of U.S. dollars, which had been fully paid. For more details, please refer to "Business — Major Collaboration Arrangements — Collaboration Arrangement with Vidasym, Inc."

Collaboration Arrangement with Chugai Pharmaceutical Co., Ltd.

In July 2021, we entered into an option and license agreement (the "**Chugai Agreement**") with Chugai regarding AP306. Founded in 1925, Chugai is one of Japan's leading research-based pharmaceutical companies. Chugai, based in Tokyo, specializes in prescription pharmaceuticals and is listed on the Tokyo Prime Stock Exchange. We obtained the global development and

commercialization rights for AP306. Under the Chugai Agreement, Chugai granted us an option to acquire a global exclusive license to develop, manufacture, and commercialize AP306 for all indications worldwide. Under the Chugai Agreement, Chugai shall receive from us an upfront payment. In addition, if we exercise the option under the Chugai Agreement, Chugai shall receive from us an upfront payment, as well as milestone payments up to a single-digit hundreds of millions of U.S. dollars based on certain predetermined milestones, and royalty payment linked to annual net sales of AP306. In October 2023, we exercised the option and were granted the exclusive license. For more details, please refer to "Business — Major Collaboration Arrangements — Collaboration Arrangement with Chugai Pharmaceutical Co., Ltd."

Collaboration Arrangement with Roche Holding AG

In October 2023, we entered into a supply and marketing agreement (the "**Roche Agreement**") with Roche Hong Kong, Ltd. ("**Roche**," a subsidiary of Roche Holding AG) regarding Mircera®. The Roche Agreement granted us an exclusive license to sell, distribute or otherwise commercialize Mircera® in China (not including Hong Kong, Macau and Taiwan). Roche shall supply Mircera® to us and Roche shall obtain and maintain the drug registration certificate and its appendices of Mircera® in China at its own expense. We shall obtain and maintain all permits and registrations required for the marketing and promotion of Mircera® in China at our own expense. For more details, please refer to "Business — Major Collaboration Arrangements — Collaboration Arrangement with Roche Holding AG."

Collaboration Arrangement with the Peking University First Hospital

In January 2022, we entered into a license agreement (the "**PUFH Agreement**") with Peking University First Hospital ("**PUFH**") to discover, develop and commercialize an IgA protease. Under the PUFH Agreement, PUFH granted us an exclusive and irrevocable license to research, develop, and commercialize an IgA protease globally, with the right to grant sublicenses. In addition, we commissioned PUFH to perform non-clinical studies regarding the medical application of the licensed IgA protease. For more details, please refer to "Business — Major Collaboration Arrangements — Collaboration Arrangement with the Peking University First Hospital."

Collaboration Arrangement with R1 Therapeutics

In December 2025, we entered into a collaboration and license agreement (the "**R1 Agreement**") with R1 Therapeutics, Inc., a corporation organized and existing under the laws of State of Delaware with respect to AP306. R1 Therapeutics, Inc. ("**R1**") is a newly established biotechnology company focused on the R&D and commercialization of innovative biopharmaceutical products for the treatment of kidney diseases and related complications, and is backed by major global dialysis service providers and a syndicate of leading global life sciences investors. In connection with the R1 Agreement, we entered into common stock issuance agreements with R1 in December 2025 and received certain class B common shares. R1 also entered into stock purchase agreement with certain investors in connection with its financing in December 2025 and February 2026 and such investors received Series-A preferred shares of R1. Upon closing of these agreements, we held a significant equity stake (minority stake) of R1's shares, with anti-dilution protection mechanisms designed to maintain such percentage ownership. As of the Latest Practicable Date, we were the single largest shareholder of R1 on a legal-entity basis, holding a 21.25% interest on a fully diluted basis, with the remaining shareholders independent third parties to us. R1 is accounted for as our associate rather than a subsidiary as we do not have unilateral control over its relevant activities or financial and operating policies.

Notwithstanding that AP306 has demonstrated a higher serum phosphorus control rate than AP301, we believe that the out-licensing arrangement with R1 is in our commercial interests, because (i) the out-licensing arrangement is limited to regions outside of Greater China only; (ii) AP306 development remains at a relatively earlier stage and subject to more uncertainties; (iii) substantial capital commitment and resources are required for research and development and commercialization of outside Greater China and (iv) AP301 is more clinically advanced and certain

with clearer path to maximize its value through self-led commercialization in China and a CSO-supported commercialization model in the U.S. For more details on reasons of collaborating with R1, accounting treatment of R1 as well as the material terms of the R1 arrangements, please refer to "Business — Major Collaboration Arrangements — Collaboration Arrangement with R1 Therapeutics."

RESEARCH AND DEVELOPMENT

Our in-house R&D team consisted of 61 employees as of the Latest Practicable Date, most of whom had obtained at least bachelor's degrees, and 72.1% members of our R&D team had obtained advanced degrees, including 14.8% members with doctorate degrees and 57.3% members with master's degrees. During the Track Record Period and up to the Latest Practicable Date, we had 46 R&D personnel involved in the development of our Core Product and 15 R&D personnel involved in the development of our other product candidates. As of the Latest Practicable Date, 95.7% of our R&D personnel involved in the development of the Core Product as of June 12, 2025 remain employed by us. We incurred significant research and development expenses during the Track Record Period and anticipate continuing to make significant investments in our R&D efforts. For more details on our R&D, please refer to "Business — Research and Development."

INTELLECTUAL PROPERTY RIGHTS

As of the Latest Practicable Date, we held 153 patents and patent applications, among which 24 were related to our Core Product (including four granted patents in China, two granted patents in the U.S., one granted patent in Europe, three granted patents in Taiwan, two granted patents in each of Hong Kong, Macau, Australia, Canada, Japan and New Zealand, as well as two pending patent applications in China). As of the Latest Practicable Date, we had not received any material concerns or inquiries from relevant competent authorities that make us believe that any of the pending patent applications will be finally rejected. In addition, our Directors confirm, with the support of our IP adviser's view, that the Group's patents and patent applications sufficiently cover the material aspects of our Core Product and/or its associated technologies in China and the U.S. For details of our intellectual property, see "Business — Intellectual Property."

MANUFACTURING

As of December 31, 2025, our manufacturing team consisted of 28 members. We have completed the construction of an in-house manufacturing facility in Yangzhou, China. As of the Latest Practicable Date, the manufacturing facility was in the phase of pilot-scale production and scale-up preparation. It is expected to commence operation in the fourth quarter of 2028. The designed annual capacity will reach approximately 200 metric tons at full operation and can be scaled up based on the market demand. The manufacturing facility is expected to support the commercial-scale production of both drug substance and drug product for our product candidates such as AP301 and AP306.

COMMERCIALIZATION, MARKETING AND BUSINESS DEVELOPMENT

We have assembled an in-house sales team with 43 members led by Mr. Feng Jun, our head of commercialization, as of the Latest Practicable Date. Currently, our sales team primarily focuses on enhancing professionals' knowledge and understanding of the usage, clinical effects and advantages of Mircera®. Since Mircera®'s launch in China in 2024, Mircera® has successfully entered over 300 hospitals. For commercialization in overseas markets, we will proactively explore commercialization opportunities through a range of partnership models, such as through forming associates with qualified business partners, leveraging their local know-how and insight, engaging CSO for overseas commercialization efforts, and exploring other out-licensing arrangements. For details, please refer to "Business — Commercialization, Marketing and Business Development."

Distributorship

During the Track Record Period, we sold Mircera® in China to a third-party distributor, which has registered capital of RMB2 billion and is wholly owned by a major state-owned enterprise listed on the Hong Kong Stock Exchange with a national distribution network for medicinal products in China. Our distributor is primarily engaged in the trading and distribution of pharmaceutical products. It is also our direct customer responsible for delivering Mircera® to its sub-distributors, who subsequently delivered to hospitals and medical institutions. In the meantime, our sales team is responsible for the promotion of Mircera® to hospitals in China. For details, please refer to "Business — Commercialization, Marketing and Business Development — Distributorship."

OUR SUPPLIERS

During the Track Record Period, our suppliers are mainly comprised of service providers and equipment and consumables suppliers. For the years ended December 31, 2024, and 2025, purchases from our five largest suppliers in aggregate accounted for 57.0% and 46.4% of our total purchases, respectively, in each year during the Track Record Period. Our purchases from our largest supplier in each year during the Track Record Period amounted to RMB110.5 million and RMB31.4 million, representing 21.9% and 11.2% of our total purchases for the respective year. For details, please refer to "Business — Our Suppliers."

OUR CUSTOMER

In 2024 and 2025, we generated revenue of RMB6.5 million and RMB30.6 million, respectively, from a single customer, our distributor for Mircera® in China. For further details, please see "Business — Commercialization, Marketing and Business Development — Distributorship."

OUR SHAREHOLDING STRUCTURE

Concert Party Agreements

On June 30, 2023, Aleyuan Inc., Dr. Gavin Xia, Dr. Tian, Aleyuan Limited, Ms. Wang Yun, Dr. Shu Chutian and Alebund Limited Partnership (the predecessor of Yangzhou Liyue at Alebund Cayman level prior to the 2024 Reorganization) and Chunyuan Limited (a limited company and the offshore affiliated entity of Shanghai Chunyuan that held shares at Alebund Cayman level prior to the 2024 Reorganization, in which Dr. Shu Chutian held approximately 29.95% equity interest and no other shareholders, each being an employee, held 30% or more of equity interest therein), entered into a concert party deed, pursuant to which they agreed, among others, to act in concert with each other in relation to all matters that required the decision of the shareholders of Alebund Cayman. At this stage, Dr. Shu Chutian held all of his interest in Alebund Cayman through Chunyuan Limited.

Following the 2024 Reorganization, on June 15, 2024, the AIC Parties, namely Aleyuan Inc., Dr. Gavin Xia, AleyuanGX, Dr. Tian, AleyuanJT, Aleyuan Limited, Yangzhou Liyue, Shanghai Chunyuan (a limited partnership and the onshore affiliated entity of Chunyuan Limited following the 2024 Reorganization, in which Dr. Shu Chutian served as its general partner and held approximately 29.95% partnership interest and none of the other limited partners held 30% or more of partnership interest therein), Ms. Wang Yun and Dr. Zhang Huading entered into the Onshore AIC Agreement to reiterate their commitment to act in concert in the Shareholders' meetings and the Board meetings of our Company. Dr. Shu Chutian is not a party to the Onshore AIC Agreement in his personal capacity, as his control over the relevant Shares and participation in acting-in-concert arrangement is now fully reflected and exercised through a corporate vehicle (i.e., Shanghai Chunyuan) in his capacity as its general partner.

For details, see "History, Development and Corporate Structure — Concert Party Agreements".

Single Largest Shareholders Group

Our Single Largest Shareholders Group comprises (i) the AIC Parties, namely Aleyuan Inc., Dr. Gavin Xia, AleyuanGX, Dr. Tian, AleyuanJT, Aleyuan Limited, Shanghai Chunyuan, Yangzhou Liyue, Ms. Wang Yun, Dr. Zhang Huading, (ii) Shanghai Yuanyue, BCeGFR and Fortuna, each a controlled entity of Dr. Gavin Xia, and (iii) Dr. Shu Chutian, the general partner of Shanghai Chunyuan. As of the Latest Practicable Date, the Single Largest Shareholders Group held approximately 24.50% of our total issued Share capital in aggregate. Immediately following the completion of the [**REDACTED**], our Single Largest Shareholders Group will control approximately [**REDACTED**]% of our total issued share capital. For details, see "History, Development and Corporate Structure — Single Largest Shareholders Group".

Pre-[REDACTED] Investments

Throughout the development of our Group, we received eight rounds of Pre-[**REDACTED**] Investments in a total amount of approximately RMB2 billion. The valuation of our Company upon completion of the last round of the Pre-[**REDACTED**] Investments is approximately RMB3,778.9 million. Our Pre-[**REDACTED**] Investors include investors focusing on investment in biotech and healthcare industry, including among others, Tencent, Guojin Group, LAV USD, Quan Capital, Loyal Valley Capital, Shanghai Liyi, GIC, 3H, 3E, Dezhou Liangyi, Huagai Capital, Beijing New Dynamic II, Sherpa, Octagon and Morningside Venture.

Loyal Valley Capital is the Sophisticated Investor of our Company which had made meaningful investment in the Company at least six months before the [**REDACTED**]. See "History, Development and Corporate Structure — Pre-[**REDACTED**] Investments" in this Document.

SUMMARY OF KEY FINANCIAL INFORMATION

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

	For the Year Ended December 31,	
	2024	2025
	(RMB in thousands)	
REVENUE	6,525	30,556
Cost of sales	(4,140)	(17,110)
Gross profit	**2,385**	**13,446**
Other income	4,534	7,335
Selling expenses	(15,171)	(36,337)
Administrative expenses	(62,113)	(251,295)
Research and development expenses	(235,367)	(372,574)
Other (losses)/gains	(22)	974
Share of the profit or loss of an associate and a joint venture	2	(2,821)
Finance costs	(29,378)	(110,547)
LOSS BEFORE TAX	**(335,130)**	**(751,819)**
Income tax expense	–	–
LOSS FOR THE YEAR	**(335,130)**	**(751,819)**

Non-IFRS Measure

To facilitate a comparison of our operating performance from year to year, we also use adjusted net loss (non-IFRS measure), which is not required by, or presented in accordance with, IFRS. We define adjusted net loss (non-IFRS measure) as loss for the year adjusted by adding back (i) interest on redemption liabilities on ordinary shares, which represents the interest accrued on the obligation to repurchase certain of our Shares held by certain Pre-[**REDACTED**] shareholders, which were terminated in September 2025 and such redemption liabilities were credited to other reserve; (ii) share-based payment, arising from granting share incentives to senior management and selected employees, which is non-cash in nature; and (iii) listing expense, in relation to the [**REDACTED**]. The use of the non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for, or superior to, analysis of our results of operations or financial conditions as reported under IFRS. For details, see "Financial Information — Summary of Consolidated Statements of Profit or Loss and Other Comprehensive Income — Non-IFRS Measure."

The following table reconciles our non-IFRS measure for the years presented with the nearest measures prepared in accordance with IFRS Accounting Standards.

	For the Year Ended December 31,	
	2024	2025
	(RMB in thousands)	
Loss for the year	**(335,130)**	**(751,819)**
Add back:		
Interest on redemption liabilities on ordinary shares	27,720	90,781
Share-based payment compensation	21,900	260,761
[**REDACTED**] expense	–	19,735
Adjusted net loss (non-IFRS measure)	**(285,510)**	**(380,542)**

Summary of Consolidated Statements of Financial Position

	As of December 31,	
	2024	2025
	(RMB in thousands)	
Total non-current assets	**720,364**	**781,216**
Total current assets	**388,776**	**558,716**
Total current liabilities	**1,943,977**	**239,829**
Net current (liabilities)/assets	**(1,555,201)**	**318,887**
Total non-current liabilities	**506,356**	**596,860**
Total (deficits)/equity	**(1,341,193)**	**503,243**

Our net current liabilities of RMB1,555.2 million as of December 31, 2024 changed to net current assets of RMB318.9 million as of December 31, 2025. The increase was primarily attributable to the decrease in total current liabilities, resulting from the decrease in redemption liabilities on ordinary shares due to termination of redemption features in September 2025, as well as the increase in total current assets resulting from the receipt of funds from Series C Investment and the Cross-over Investment.

Our net liabilities of RMB1,341.2 million as of December 31, 2024 changed to net assets of RMB503.2 million as of December 31, 2025, primarily attributable to termination of redemption liabilities on ordinary shares of RMB1,975.9 million, capital injection of RMB535.8 million and share-based payment compensation of RMB260.8 million, partially offset by loss for the year of RMB751.8 million and recognition of redemption liabilities on ordinary shares of RMB172.5 million.

Summary of Consolidated Statements of Cash Flows

	For the Year Ended December 31,	
	2024	2025
	(RMB in thousands)	
Net cash flows used in operating activities	(249,897)	(287,888)
Net cash flows used in investing activities	(257,410)	(236,822)
Net cash flows from financing activities	787,672	541,716
NET INCREASE IN CASH AND CASH EQUIVALENTS	**280,365**	**17,006**
Cash and cash equivalents at beginning of year	63,149	343,770
Effect of foreign exchange rate changes, net	256	(2,451)
Cash and cash equivalents at end of year	**343,770**	**358,325**

During the Track Record Period, we incurred net operating cash outflows because we incurred substantial research and development expenses to support the development of our product pipelines and administrative expenses to support our business activities.

For details on material fluctuations on cash flows, see "Financial Information — Liquidity and Capital Resources."

WORKING CAPITAL SUFFICIENCY

Our Directors are of the opinion that, taking into account the financial resources available, including cash and cash equivalents, the expected income from our commercialized product and the estimated net [**REDACTED**] from the [**REDACTED**], our cash burn rate as well as scheduled banking facilities repayment, we have sufficient working capital to cover at least 125% of our costs, including research and development expenses, selling expenses and administrative expenses for at least the next 12 months from the date of this Document.

Our cash burn rate refers to the average monthly amount of net cash used in operating activities, capital expenditures and lease payments. Excluding one-off capital expenditures spent on building our manufacturing facilities and assuming an average cash burn rate going forward of 1.4 times the level as of December 31, 2025, we estimate that our cash at bank and on hand and other financial assets as of December 31, 2025 will be able to maintain our financial viability for [**REDACTED**] from December 31, 2025 taking into account the estimated net [**REDACTED**] from the [**REDACTED**]; or we estimate that we will be able to maintain our financial viability for [**REDACTED**] from December 31, 2025 without taking into account the estimated net [**REDACTED**] from the [**REDACTED**]. We will continue to monitor our cash flows from operations closely and expect to raise our next round of financing, if needed, with a minimum buffer of 12 months.

[**REDACTED**]

[**REDACTED**]

DIVIDEND

During the Track Record Period, we had never declared or paid any dividends on our ordinary shares or any other securities. As of the Latest Practicable Date, we did not have a formal dividend policy nor a pre-determined dividend payout ratio. As confirmed by our PRC Legal Adviser, according to the PRC law, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund. We will therefore only be able to declare dividends after (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not intend to declare or pay any dividends in the foreseeable future. Any future determination to pay dividends will be made at the discretion of our Directors subject to our Articles of Association and the PRC Company Law, and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial conditions, contractual restrictions and other factors that our Directors may deem relevant. For details, please refer to "Financial Information — Dividend."

USE OF [**REDACTED**]

We estimate that the aggregate net [**REDACTED**] to our Company from the [**REDACTED**] will be approximately HK$[**REDACTED**], after deducting [**REDACTED**] fees and estimated expenses in connection with the [**REDACTED**] payable by us and based on an [**REDACTED**] of HK$[**REDACTED**] per H Share, and assuming the [**REDACTED**] is not exercised. We intend to apply such net [**REDACTED**] from the [**REDACTED**] for the following purposes, subject to changes in light of our evolving business needs and changing market conditions: (i) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be allocated to the ongoing and planned clinical development and regulatory affairs of our product candidates, with approximately [**REDACTED**]%, or HK$[**REDACTED**] allocated to AP301 and approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] allocated to other product candidates including AP306, AP303 and AP308; (ii) approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be allocated to the advancement of the preclinical development of our product candidates including AP304, AP305 and AP307; (iii) approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be allocated to upgrade our manufacturing capacity as well as for commercialization of our drug candidates after they are approved for sale; and (iv) approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used for our working capital and other general corporate purposes.

RISK FACTORS

We believe that there are certain risks involved in our operations, many of which are beyond our control. These risks are set out in the section headed "Risk Factors" in this Document. Some of the major risks we face include: our business and financial prospects depend substantially on the success of our product portfolio. If we are unable to successfully complete clinical development, obtain regulatory approval and/or commercialize our product portfolio, including our Core Product, or if we experience delays in any of the foregoing, our business, financial conditions, results of operations and prospects will be materially and adversely affected; clinical development of drug products involves a lengthy, difficult and expensive process with uncertain outcomes, and results

of earlier clinical studies and trials may not be predictive of future trial results; if we are not able to obtain, or experience delays in obtaining, required regulatory approvals, our ability to generate revenue will be materially impaired; we may not make optimal resource allocation decisions to pursue product candidates or indication with the best commercial potential; and the sales of our commercialized product accounted for all of our revenue during the Track Record Period. If we are unable to maintain the sales volume, pricing levels and profit margins, our business, financial conditions and results of operations could be materially and adversely affected.

[**REDACTED**]

Our [**REDACTED**] represent professional fees, [**REDACTED**] and other fees incurred in connection with the [**REDACTED**]. Assuming an [**REDACTED**] of HK$[**REDACTED**] per H Share, we estimated that the total [**REDACTED**] for the [**REDACTED**] are approximately HK$[**REDACTED**], accounting for approximately [**REDACTED**]% of the gross [**REDACTED**] from the [**REDACTED**] (assuming no H Shares are [**REDACTED**] pursuant to the [**REDACTED**]), of which approximately HK$[**REDACTED**] is expected to be charged to our consolidated statements of profit or loss and other comprehensive income upon the completion of the [**REDACTED**], and approximately HK$[**REDACTED**] is expected to be accounted for as a deduction from equity upon the completion of [**REDACTED**]. The above expenses comprise of (i) [**REDACTED**]-related expenses, including [**REDACTED**] and other expenses, of HK$[**REDACTED**]; and (ii) [**REDACTED**]-related expenses of HK$[**REDACTED**], including (a) fee paid and payable to legal advisers and reporting accountants of HK$[**REDACTED**], and (b) other fees and expenses of HK$[**REDACTED**]. The [**REDACTED**] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this Document, there has been no material adverse change in our financial, operational or trading positions or prospects since December 31, 2025, being the end of the period reported on as set out in the Accountants' Report included in Appendix I to this Document. We expect to incur a net loss for the year ending December 31, 2026, because we continue to incur research and development and share-based payment expenses as well as [**REDACTED**] for the [**REDACTED**].

In this Document, unless the context otherwise requires, the following terms shall have the meanings set out below. Certain other terms are explained in the section headed "Glossary of Technical Terms" in this Document.

"Accountants' Report"	the accountants' report prepared by Ernst & Young, details of which are set out in Appendix I
"affiliate(s)"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong
"AIC Party(ies)"	Aleyuan Inc., Dr. Gavin Xia, AleyuanGX, Dr. Tian, AleyuanJT, Aleyuan Limited, Shanghai Chunyuan, Yangzhou Liyue, Ms. Wang Yun and Dr. Zhang Huading
"Alebund Cayman"	Alebund Biotech Inc., a limited liability company incorporated in the Cayman Islands on August 21, 2019, being the holding company of our Group from 2019 to 2024, which was deregistered on February 28, 2025
"Alebund HK"	Alebund Pharmaceuticals (Hong Kong) Limited (禮邦醫藥(香港)有限公司), a limited company incorporated in Hong Kong on January 23, 2019 and a wholly-owned subsidiary of our Company
"Alebund Shanghai"	Alebund Pharmaceuticals (Shanghai) Co., Ltd. (禮邦藥業(上海)有限公司), a limited liability company incorporated in the PRC on July 25, 2022 and a wholly-owned subsidiary of our Company
"Alebund Yangzhou"	Alebund Pharmaceuticals Manufacturing (Yangzhou) Co., Ltd. (禮邦製藥(揚州)有限公司), a limited liability company incorporated in the PRC on May 13, 2024 and a wholly-owned subsidiary of our Company
"AleyuanGX"	AleyuanGX Limited, a BVI business company incorporated in the British Virgin Islands on February 22, 2024 and wholly-owned by Dr. Gavin Xia, an AIC Party and a member of our Single Largest Shareholders Group
"AleyuanJT"	AleyuanJT Limited, a BVI business company incorporated in the British Virgin Islands on February 22, 2024 and wholly-owned by Dr. Tian, an AIC Party and a member of our Single Largest Shareholders Group
"Aleyuan Inc."	Aleyuan Inc., an exempted company incorporated in the Cayman Islands with limited liability on August 31, 2018, serving as a founder holding company and is owned as to 50% by each of AleyuanGX and AleyuanJT as of the Latest Practicable Date. It is also an AIC Party and a member of our Single Largest Shareholders Group

"Aleyuan Limited"	Aleyuan Limited, a BVI business company incorporated in the British Virgin Islands on January 11, 2019, serving as an early-stage investment platform and is an AIC Party and a member of our Single Largest Shareholders Group. As of the Latest Practicable Date, Aleyuan Limited was owned as to approximately 31.55% by AleyuanGX, 16.29% by AleyuanJT, and the remainder by three Independent Third Parties, none of whom held 30% or more of its equity interests
"Articles of Association" or "Articles"	the articles of association of our Company, as amended, which shall become effective on the [**REDACTED**], as amended from time to time, a summary of which is set out in Appendix IV
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Board
"BCeGFR"	BCeGFR Limited, a company incorporated in the British Virgin Islands, in which AleyuanGX, a wholly-owned entity of Dr. Gavin Xia, held the only voting share as of the Latest Practicable Date and thus controlled BCeGFR. BCeGFR is a member of our Single Largest Shareholders Group
"Board" or "our Board"	the board of Directors
"Business Day"	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong

[**REDACTED**]

"Cayman Companies Act" or "Companies Act"	the Companies Act (Revised) of the Cayman Islands, as amended, supplemented or modified from time to time

[**REDACTED**]

"CDA"	China Drug Administration (國家藥品監督管理總局)
"CDE"	Center for Drug Evaluation (藥品審評中心)
"Chairman"	the chairman of the Board

"China", "Chinese Mainland" or "PRC"	the People's Republic of China which, for the purpose of this Document and for geographical reference only, excluding Hong Kong Special Administrative Region of the People's Republic of China, Macau Special Administrative Region of the People's Republic of China, and Taiwan Region
"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 (Winding Up and Miscellaneous Provisions) 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", "our Company", or "the Company"	Alebund Pharmaceuticals (Jiangsu) Limited (禮邦醫藥(江蘇)股份有限公司), formerly known as Alebund Pharmaceuticals (Jiangsu) Limited (禮邦醫藥(江蘇)有限公司), a limited liability company established in the PRC on May 20, 2021 and converted into a joint stock company with limited liability on October 28, 2025
"Compliance Adviser"	Somerley Capital Limited
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules
"core connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Core Product"	has the meaning ascribed thereto under Chapter 18A of the Listing Rules and in this context, refers to AP301
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)" or "our Director(s)"	the director(s) of our Company
"Dr. Tian"	Jin Tian, M.D., our co-founder, executive Director, chief medical officer, an AIC Party and a member of our Single Largest Shareholders Group
"Dr. Gavin Xia"	Dr. Gavin Guoyao Xia, our co-founder, chairman of the Board, executive Director, chief executive officer, an AIC Party and a member of our Single Largest Shareholders Group

"EIT"	the PRC enterprise income tax
"Employee Incentive Platform(s)"	Yangzhou Liyue and Shanghai Yuanyue, and relevant sub-platforms established under the Employee Incentive Platforms, including Shanghai Yuanyuyue, Shanghai Yuanxuanyue, Shanghai Yuantianyue and Shanghai Yuanhuangyue, or any one of them as the context may require
	[**REDACTED**]
"Extreme Conditions"	extreme conditions caused by a super typhoon as announced by the government of Hong Kong
"FDA"	the Food and Drug Administration of the U.S.
	[**REDACTED**]
"Fortuna"	Fortuna Limited, a limited company incorporated in the British Virgin Islands, in which AleyuanGX, a wholly-owned entity of Dr. Gavin Xia, holds the only voting share and thus controls Fortuna. Fortuna is a member of our Single Largest Shareholders Group
	[**REDACTED**]
"Group", "our Group", "our", "we" or "us"	our Company and our subsidiaries (or our Company and any one or more of its subsidiaries, as the context may require), and where the context requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such present subsidiaries and the businesses carried on by such present subsidiaries as if they were subsidiaries of our Company at the relevant time
"Guide for New Listing Applicants"	the Guide for New Listing Applicants issued by the Hong Kong Stock Exchange effective from January 1, 2024
"H Share(s)"	overseas [**REDACTED**] foreign share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which is/are to be [**REDACTED**] and [**REDACTED**] in HK dollars and to be [**REDACTED**] on the Hong Kong Stock Exchange

[**REDACTED**]

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

[**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, a wholly owned subsidiary of Hong Kong Exchange and Clearing Limited
"Hong Kong Takeovers Code" or "Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time

[**REDACTED**]

"Independent Third Party(ies)"	any entity(ies) or person(s) who is not a connected person of our Company within the meaning of the Hong Kong Listing Rules
"Industry Consultant" or "CIC"	China Insights Industry Consultancy Limited, our industry consultant, an independent market research and consulting company

[**REDACTED**]

"Joint Sponsors"	the joint sponsors named in "Directors and Parties Involved in the [**REDACTED**]"

"Latest Practicable Date"	June 12, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this Document prior to its publication

[**REDACTED**]

"Listing Committee"	the listing committee of the Hong Kong Stock Exchange

[**REDACTED**]

"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the GEM of the Hong Kong Stock Exchange
"MOFCOM" or "Ministry of Commerce"	the Ministry of Commerce of the PRC (中華人民共和國商務部) (formerly known as the Ministry of Foreign Trade and Economic Cooperation of the PRC (中華人民共和國對外經濟貿易部))
"NDRC"	the National Development and Reform Commission (中華人民共和國國家發展和改革委員會)
"NHC"	the National Health Commission of the PRC (中華人民共和國國家衛生健康委員會)
"NMPA"	the National Medical Products Administration of China (國家藥品監督管理局) or, where the context so requires, its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局), or CFDA
"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)

[**REDACTED**]

"Onshore AIC Agreement"	the acting in concert agreement dated June 15, 2024 entered into between the AIC Parties
"Overall Coordinators"	the overall coordinators named in "Directors and Parties Involved in the [**REDACTED**]"

[**REDACTED**]

"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"PRC Company Law"	Company Law of the People's Republic of China (中華人民共和國公司法)
"PRC GAAP"	generally accepted accounting principles in the PRC
"PRC Legal Adviser"	Zhong Lun Law Firm, our legal adviser on PRC laws in connection with the [**REDACTED**]
"Pre-[**REDACTED**] Equity Incentive Plan"	the pre-[**REDACTED**] equity incentive plan of the Company effective from August 26, 2025
"Pre-[**REDACTED**] Investor(s)"	the investor(s) making investments in our Group prior to this [**REDACTED**] as set out in "History, Development, and Corporate Structure — Pre-[**REDACTED**] Investments — Overview"
"Pre-[**REDACTED**] Investment(s)"	the investment(s) in our Group undertaken by the Pre-[**REDACTED**] Investors prior to this [**REDACTED**], the details of which are set out in "History, Development, and Corporate Structure"

"Document"	this document being issued in connection with the [**REDACTED**]
"QIB"	a qualified institutional buyer within the meaning of Rule 144A
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"Renminbi" or "RMB"	the lawful currency of the PRC
"Rule 144A"	Rule 144A under the U.S. Securities Act
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAIC"	the State Administration of Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局), which has now been merged into the SAMR
"SAMR"	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
"SAT"	the State Taxation Administration of the PRC (中華人民共和國國家税務總局)
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO" or "Securities and Futures Ordinance"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
"Shanghai Alebund"	Shanghai Alebund Pharmaceuticals Limited (上海禮邦醫藥科技有限公司), a limited liability company incorporated in the PRC on April 23, 2018, being the holding company of our Group from 2018 to 2019 and currently a wholly-owned subsidiary of our Company
"Shanghai Alezyme"	Shanghai Alezyme Pharmaceuticals Ltd. (上海君祉醫藥科技有限公司), a limited liability company incorporated in the PRC on January 4, 2022 and a wholly-owned subsidiary of Shanghai Alebund
"Shanghai Chunyuan"	Shanghai Chunyuan Pharmaceutical Technology Partnership (Limited Partnership) (上海純沅醫藥科技合夥企業(有限合夥)), a limited partnership established in the PRC on January 7, 2020 whose general partner is Dr. Shu Chutian (舒楚天). Serving as an employee investment platform, Shanghai Chunyuan is also an AIC Party and a member of our Single Largest Shareholders Group. Ms. Wang Yun (汪昀), our executive Director, also holds approximately 27.14% partnership interest in Shanghai Chunyuan as a limited partner

"Shanghai Yuanhuangyue"	Shanghai Yuanhuangyue Consulting Management Partnership (Limited Partnership) (上海沅黃悅諮詢管理合夥企業(有限合夥)), a limited partnership established in the PRC on August 8, 2025, a sub-platform established under Shanghai Yuanyue, an Employee Shareholding Platform, pursuant to the Pre-[**REDACTED**] Equity Incentive Plan
"Shanghai Yuantianyue"	Shanghai Yuantianyue Consulting Management Partnership (Limited Partnership) (上海沅天悅諮詢管理合夥企業(有限合夥)), a limited partnership established in the PRC on August 15, 2025, a sub-platform established under Shanghai Yuanyue, an Employee Shareholding Platform, pursuant to the Pre-[**REDACTED**] Equity Incentive Plan
"Shanghai Yuanxuanyue"	Shanghai Yuanxuanyue Consulting Management Partnership (Limited Partnership) (上海沅玄悅諮詢管理合夥企業(有限合夥)), a limited partnership established in the PRC on August 8, 2025, a sub-platform established under Shanghai Yuanyue, an Employee Incentive Platform, pursuant to the Pre-[**REDACTED**] Equity Incentive Plan
"Shanghai Yuanyue"	Shanghai Yuanyue Consulting Management Partnership (Limited Partnership) (上海沅悅諮詢管理合夥企業(有限合夥)), a limited partnership established in the PRC on December 19, 2024, whose general partner is AleyuanGX, an Employee Incentive Platform implementing the Pre-[**REDACTED**] Equity Incentive Plan, an AIC Party and a member of our Single Largest Shareholders Group
"Shanghai Yuanyuyue"	Shanghai Yuanyuyue Consulting Management Partnership (Limited Partnership) (上海沅宇悅諮詢管理合夥企業(有限合夥)), a limited partnership established in the PRC on August 8, 2025, a sub-platform established under Shanghai Yuanyue, an Employee Incentive Platform, pursuant to the Pre-[**REDACTED**] Equity Incentive Plan
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each
"Shareholder(s)"	holder(s) of our Share(s)
"Single Largest Shareholders Group"	comprises (i) the AIC Parties, namely Aleyuan Inc., Dr. Gavin Xia, AleyuanGX, Dr. Tian, AleyuanJT, Aleyuan Limited, Shanghai Chunyuan, Yangzhou Liyue, Ms. Wang Yun, Dr. Zhang Huading, (ii) Shanghai Yuanyue, BCeGFR and Fortuna (each being a controlled entity of Dr. Gavin Xia) and (iii) Dr. Shu Chutian (being the general partner of Shanghai Chunyuan)
"Sophisticated Investor(s)"	has the meaning ascribed to it under Chapter 2.3 of the Guide for New Listing Applicants
"Sponsor-OCs"	the sponsor-overall coordinators as named in "Directors and Parties Involved in the [**REDACTED**]"

[**REDACTED**]

"State Council"	the State Council of the PRC (中華人民共和國國務院)
"subsidiary(ies)"	has the meaning ascribed to it in section 15 of the Companies Ordinance
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Track Record Period"	the financial years ended December 31, 2024 and 2025
"U.S. Government"	the federal government of the United States, including its executive, legislative and judicial branches
"U.S. persons"	U.S. persons as defined in Regulation S
"U.S. Securities Act"	United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time

[**REDACTED**]

"United States", "USA" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US$" or "U.S. dollars"	United States dollars, the lawful currency of the United States
"VAT"	value-added tax

[**REDACTED**]

"Yangzhou Liyue"	Yangzhou Liyue Consulting Management Partnership (Limited Partnership) (揚州禮悅諮詢管理合夥企業(有限合夥)), a limited partnership established in the PRC on March 19, 2024, whose general partner is AleyuanGX, an Employee Incentive Platform implementing the Pre-[**REDACTED**] Equity Incentive Plan, an AIC Party and a member of our Single Largest Shareholders Group
"%"	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.

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains explanations of certain technical terms used in this Document in connection with our Group and our business. These terms and their meanings may not correspond to standard industry meanings or usage of these terms.

"ACE"	angiotensin-converting enzyme, a central component of the renin-angiotensin system that controls blood pressure
"ADA"	Anti-drug antibody, an antibody produced by body immune system in response to a therapeutic drug and impact treatment efficacy
"ADPKD"	autosomal dominant polycystic kidney disease, a genetic disorder characterized by the progressive development of fluid-filled cysts in both kidneys, which leads to enlarged kidneys and gradual loss of kidney function
"AE"	adverse event, any untoward medical occurrences in a patient or clinical investigation subject who has been administered with a drug or other pharmaceutical product during clinical trials and which does not necessarily have a causal relationship with the treatment
"AESI"	adverse event of special interest, a special type of adverse event that is under particular scientific or medical concern
"AIS"	acute ischemic stroke, a medical emergency caused by a sudden blockage of blood flow to the brain, leading to the death of brain cells
"AKI"	acute kidney injury, a sudden damage to the kidneys that causes them to not work properly
"API"	active pharmaceutical ingredient, a main ingredient in a medicine that causes the desired effect of the medicine
"APRIL"	a proliferation-inducing ligand, a member of the tumor necrosis factor superfamily that plays a key role in the regulation of activated B cells, the survival of long-lived plasma cells, and immunoglobulin isotype class switching
"BAFF"	B-cell activating factor, a cell survival and maturation factor for B cells
"BTD"	Breakthrough Therapy Designation
"CKD"	chronic kidney disease, a variety of pathophysiologic conditions in which the kidney is damaged and loses its function
"CKD-MBD"	chronic kidney disease-mineral and bone disorder, a disorder that can affect the bones, heart, and blood vessels of a person with CKD. Patients' kidneys damaged by CKD can't filter blood and regulate hormones properly. The hormone levels and levels of minerals, such as calcium and phosphorus, thus become imbalanced and lead to damage.

GLOSSARY OF TECHNICAL TERMS

"CNI"	calcineurin inhibitor, an immunosuppressive drug that works by blocking the enzyme calcineurin to prevent the activation and proliferation of T-cells
"CRU"	clinical research unit, a specialized facility that provides infrastructure and support for conducting clinical research and trials
"CVD"	cardiovascular disease, a general term for conditions affecting the heart or blood vessels
"DKD"	diabetic kidney disease, kidney damage caused by diabetes
"ECG"	electrocardiogram, a recording of the heart's electrical activity through repeated cardiac cycles
"eGFR"	estimated glomerular filtration rate, a measure of the kidney function
"EPO"	Erythropoietin, a hormone produced mainly by the kidneys that stimulates the bone marrow to produce red blood cells
"ERA"	European Renal Association
"ESA"	erythropoiesis-stimulating agent, a substance that stimulates the bone marrow to make more red blood cells
"ESRD"	end stage renal disease, the last stage of long-term chronic kidney disease, with permanent kidney failure that requires a regular course of dialysis or a kidney transplant
"FSGS"	focal segmental glomerulosclerosis, where scar tissue develops in the glomeruli
"Gd-IgA1"	galactose-deficient IgA1, a form of IgA1 where the sugar galactose is missing from its O-glycan structure
"GFR"	glomerular filtration rate, the flow rate of filtered fluid through the kidney
"GI"	gastrointestinal
"GLP-1"	glucagon-like peptide-1, a hormone produced in the gut and released in response to food, causing reduced appetite and the release of insulin
"Grade"	term used to refer to the severity of adverse events according to Common Terminology Criteria for Adverse Events, using Grade 1, Grade 2, Grade 3, etc.
"hemodynamic"	Referring to the forces and flow of blood within the circulatory system

"HIF-PH"	hypoxia-inducible factor prolyl hydroxylase, an enzyme that regulates the stability of hypoxia-inducible factor, a protein critical for the body's response to low oxygen
"hyperphosphatemia"	abnormally high serum phosphate levels in the blood
"IgA"	immunoglobulin A, a type of antibody found in mucous membranes and body fluids that protects the body from germs and toxins
"IgAN"	IgA nephropathy, a kidney disease in which IgA antibodies build up abnormally, leading to kidney damage or kidney failure
"IV"	Intravenous, into or within a vein
"KDIGO"	Kidney Disease Improving Global Outcomes, a global nonprofit organization developing and implementing evidence-based clinical practice guidelines in kidney disease
"K/DOQI"	Kidney Disease Outcomes Quality Initiative, a program developed by the National Kidney Foundation, patient-focused non-profit organization dedicated to the prevention, treatment, and diagnosis of kidney disease established in the U.S. in 1964, to create evidence-based clinical practice guidelines for the care of patients with chronic kidney disease
"KOL"	key opinion leader
"LN"	lupus nephritis, an autoimmune inflammation of the kidney caused by systemic lupus erythematosus
"LoE"	loss of exclusivity, the point when a pharmaceutical company's exclusive legal rights to a drug, typically granted by patent, expire, allowing generic or biosimilar manufacturers to enter the market with cheaper alternatives
"maintenance hemodialysis"	a form of life support for patients with advanced chronic kidney disease
"MAD"	multiple ascending dose, a type of Phase I clinical study designed to evaluate the safety and tolerability of repeat doses of the investigational drug over a specified period
"M.D."	Doctor of Medicine, a professional medical degree
"MBD"	mineral and bone disorder, a complication of chronic kidney disease characterized by skeletal deformities, impaired vitamin D metabolism, and disorganization in the growth plate, leading to growth failure and increased risk of bone-related issues
"MN"	membranous nephropathy, an autoimmune disorder in which immune complexes deposit along the subepithelial region of the glomerular basement membrane

"MPGN"	membranoproliferative glomerulonephritis, a kidney disorder that involves inflammation and changes to kidney cells, characterized by mesangial cell proliferation and structural changes in glomerular capillary walls
"NaPi-IIb"	sodium-dependent phosphate transporter type IIb, a type of membrane protein located in the apical membrane of proximal renal tubules, responsible for the active transport of phosphate ions alongside sodium ions, playing a critical role in renal phosphate handling and homeostasis
"NHE3"	sodium/proton exchanger-3, the most abundant apical sodium transporter in the renal tubule, responsible for reabsorbing 60-70% of filtered sodium and bicarbonate in the proximal renal tubule
"NRDL"	National Reimbursement Drug List, a list of drugs that are authorized by central government agencies for reimbursement in China
"nsMRA"	non-steroidal mineralocorticoid receptor antagonist, a type of medication used to treat chronic kidney disease by blocking the effects of the hormone aldosterone in the body
"ODD"	orphan drug designation, a special status granted by a regulatory authority to drugs that shows promise for treating, preventing, or diagnosing rare diseases
"PEG"	polyethylene glycol, a water-soluble, low-immunogenicity, biocompatible polymer formed from ethylene glycol repeating units
"per-FTE"	per full-time equivalent, a key metric used in healthcare revenue cycle management to measure the productivity and efficiency of a healthcare organization's workforce
"peritoneal dialysis"	a treatment for kidney failure that uses the lining of patient's abdomen, or belly, to filter the blood inside the patient's body
"PD"	Pharmacodynamics, the study of the biochemical, physiologic, and molecular effects of drugs on the body
"PiT-1"	phosphate transporter-1, Type I of a transporter protein that mediates the transport of extracellular inorganic phosphate into cells, playing a crucial role in regulating phosphate concentrations in bones and cartilage, as well as influencing the differentiation of chondrocytes and osteoblasts
"PiT-2"	phosphate transporter-2, Type II of a transporter protein that mediates the transport of extracellular inorganic phosphate into cells, playing a crucial role in regulating phosphate concentrations in bones and cartilage, as well as influencing the differentiation of chondrocytes and osteoblasts
"PK"	pharmacokinetics, the study of the bodily absorption, distribution, metabolism, and excretion of drugs, which, together with pharmacodynamics, influences dosing, benefit, and adverse effects of the drug

GLOSSARY OF TECHNICAL TERMS

"PoC"	proof of concept
"PPAR"	peroxisome proliferator-activated receptor, a ligand-activated transcription factor within the nuclear receptor superfamily that is activated by fatty acid metabolites and regulates various signaling pathways, through ligand-dependent transrepression
"proteinuria"	the presence of excess proteins in the urine
"RAS"	renin-angiotensin system, the system of hormones, proteins, enzymes and reactions that regulates the body's blood pressure and blood volume on a long-term basis
"renal anemia"	a type of anemia that results from chronic kidney disease
"SAD"	single ascending dose, a type of Phase I clinical study that aims to determine the safety and tolerability of a single dose of the investigational product
"SAE"	serious adverse event, an adverse event that results in death, or is life-threatening, or requires in-patient hospitalization or causes prolongation of existing hospitalization, or results in persistent or significant disability or incapacity, or is a congenital anomaly or birth defect
"SGLT2"	sodium-glucose cotransporter 2, a transporter protein that is mainly expressed in the kidney and involved in the reabsorption of most glucose in primary urine
"TEAE"	treatment emergent adverse event, adverse events not present prior to medical treatment, or an already present event that worsens either in intensity or frequency following the treatment
"TGA"	Therapeutic Goods Administration, Australia's governmental authority responsible for evaluating, assessing and monitoring products that are defined as therapeutic goods
"TKV"	total kidney volume, the sum of the volume of the left and right kidneys

FORWARD-LOOKING STATEMENTS

We have included in this Document forward-looking statements. Statements that are not historical facts, including but not limited to statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

This Document contains forward-looking statements and information relating to us and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this Document, the words "aim," "anticipate," "aspire," "believe," "could," "expect," "going forward," "intend," "may," "ought to," "plan," "project," "schedules," "seek," "should," "target," "vision," "will," "would," and the negative of these words and other similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. 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 risk factors as described in "Risk Factors" and elsewhere in this Document, some of which are beyond our control and may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing us which could affect the accuracy of forward-looking statements include, but are not limited to, the following: our operations and business prospects; future developments, trends and conditions in the industries and markets in which we operate or plan to operate; our product candidates under development or planning; the timing and outcome of the applications for registration of our product candidates with the NMPA and other regulators; general economic, political and business conditions in the markets in which we operate, including but not limited to interest rates, foreign exchange rates; changes to the regulatory environment in the industries and markets in which we operate; our ability to effectively control costs and operating expenses; the ability of business partners to perform in accordance with contractual terms and specifications; our ability to retain senior management and key personnel and recruit qualified staff; our business strategies and plans to achieve these strategies, including our service and geographic expansion plans; and all other risks and uncertainties described in "Risk Factors".

By their nature, certain disclosures relating to these and other risks are only estimates and should one or more of these uncertainties or risks, among others, materialize, actual results may vary materially from those estimated, anticipated or projected, as well as from historical results. Specifically but without limitation, costs could increase, capital costs could increase, capital investment could be delayed and anticipated improvements in performance might not be fully realized.

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this Document, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Document might not occur in the way we expect or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this Document are qualified by reference to the cautionary statements in this section as well as the risks and uncertainties discussed in the section headed "Risk Factors" in this Document.

In this Document, statements of or references to our intentions or those of our Directors are made as of the date of this Document. Any such information may change in light of future developments.

An [**REDACTED**] *in our Shares involves significant risks. You should carefully consider all of the information in this Document, including the risks and uncertainties described below, as well as our financial statements and the related notes, and the "Financial Information" section, before deciding to* [**REDACTED**] *in our 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 conditions, operating results and growth prospects. In any such event, the* [**REDACTED**] *of our Shares could decline, and you may lose all or part of your* [**REDACTED**]. *Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations.*

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section headed "Forward Looking Statements" in this Document.

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into seven sections as below. Additional risks and uncertainties that are presently not known to us or not expressed or implied below or that we currently deem immaterial could also have a material and adverse effect on our business, financial conditions, results of operations and prospects. You should consider our business and prospects in light of the challenges we face, including the ones discussed in this section.

RISKS RELATING TO THE CLINICAL DEVELOPMENT AND REGULATORY APPROVAL OF OUR PRODUCT AND PRODUCT CANDIDATES

If we are unable to successfully complete clinical development, obtain regulatory approval and/or commercialize our product portfolio, including our Core Product, or if we experience delays in any of the foregoing, our business, financial conditions, results of operations and prospects will be materially and adversely affected.

We believe our future revenue and profitability will substantially depend on our ability to complete the development of our product candidates, obtain requisite regulatory approvals and successfully manufacture and commercialize our product portfolio. We have invested and expect to continue to invest a significant portion of our efforts and capital resources in the development of our existing product candidates. However, the development of product candidates can be time-consuming and costly, and the outcome may be uncertain. The success of our product candidates will depend on several factors, including (i) our successful enrollment of patients in and completion of clinical trials, as well as completion of preclinical studies; (ii) our ability to effectively and simultaneously design, manage and supervise a number and range of clinical trials in multiple jurisdictions; (iii) our ability to reach agreements on acceptable terms with prospective third-party service providers, whose performance complies with our protocols and applicable laws and regulations that protect the integrity of the resulting data; (iv) favorable safety and efficacy data from our clinical trials and other studies; (v) our receipt of regulatory approvals; (vi) establishing sufficient commercial manufacturing capabilities; (vii) successfully launching our product candidates, establishing and maintaining distribution network if and when approved; (viii) capturing sufficient market share in competition with other products and product candidates; (ix) allocating resources to pursue product candidates that prove to be more profitable or for which there is a greater likelihood of success; (x) continued acceptable safety profile following regulatory approvals; (xi) the sizes of the actual markets for our commercialized product and product candidates are as we anticipated; (xii) our product and product candidates achieving the degree of market acceptance by physicians, patients and others in the medical community; and (xiii) obtaining favorable reimbursement from third-party payers for drugs, if and when approved.

If we do not achieve one or more of these factors in a timely manner or at all, we could experience significant delays in our ability or be unable to obtain approval for and/or to successfully commercialize our product candidates, which would materially and adversely harm our business and we may not be able to generate sufficient revenue and cash flow to continue our operations.

Some of our product candidates represent a significant improvement to the current approach to renal therapeutics while some other drug candidates represent a differentiated approach to renal therapeutics needs. Given their differentiated features, our product candidates may carry inherent development risks that could result in delays and cost overruns in clinical development, regulatory approvals or commercialization. The successful development of certain product candidates does not guarantee the successful development of other product candidates. This may have a material and adverse effect on future profits generated from our product candidates, which in turn may materially and adversely affect our competitive position, business, financial conditions and results of operations.

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

Clinical development is capital-intensive and may demand years of effort to complete, while its outcomes are inherently uncertain and may not be favorable. We may encounter unexpected difficulties while executing our clinical development plans for our product candidates. Failure can occur at any time or stage during the clinical development process, which would result in a material and adverse effect on our business, financial conditions and results of operations.

Furthermore, the results of preclinical studies and early clinical trials may not be predictive of the success of later-phase clinical trials, and favorable initial or interim results of a clinical trial do not necessarily indicate the success of final results. Interim data from clinical trials that we may complete are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available. Preliminary data also remain subject to verification procedures that may result in the final data being materially different from the preliminary data we previously published. In addition, product candidates in later stages of clinical trials may fail to show the desired safety and efficacy profiles despite having progressed through preclinical studies and initial clinical trials. Many companies in the biopharmaceutical industry have experienced significant setbacks in advanced clinical trials due to unsatisfactory efficacy or adverse safety profiles, notwithstanding promising results in earlier trials.

There may be significant variability in safety or efficacy results among different trials of the same drug candidate due to numerous factors, including changes in trial procedures set forth in protocols, differences in sizes and demographics of the enrolled patients (such as genetic differences and patient adherence to the dosage regimen) and the dropout rate among enrolled patients in clinical trials. Differences in the number of clinical trial sites and countries involved may also lead to variability among clinical trials. Therefore, the results of planned clinical trials or other future clinical trials could be significantly different and deviate from our expectation, which could result in delays in the completion of clinical trials, regulatory approvals and the commencement of commercialization of our product candidates.

If we are not able to obtain, or experience delays in obtaining, required regulatory approvals, our ability to generate revenue will be materially impaired.

To obtain regulatory approvals for any product candidate, we must demonstrate in pre-clinical studies and well-controlled clinical trials, and, with respect to approval in China and the U.S., to the satisfaction of the NMPA and the FDA that the product candidate is safe and effective for use for that target indication and that manufacturing facilities, processes and controls are adequate. In addition to pre-clinical and clinical data, the NDA must include significant information regarding the chemistry, manufacturing and controls for the product candidate. Obtaining approval of the NDA is a lengthy, expensive and uncertain process, and approval may not be obtained. Relevant regulatory authorities may accept or reject the submission for filing.

We have limited experience in filing for regulatory approvals for our product candidates, and we have not yet demonstrated the ability to receive regulatory approval for our product candidates. As a result, our ability to successfully obtain regulatory approval for our product candidates may involve more inherent risk, take longer, and cost more than it would if we have more experience in obtaining regulatory approvals.

Regulatory requirements and approval processes can vary widely from country to country and could delay or prevent the introduction of our product candidates. Clinical trials conducted in one country may not be accepted by regulatory authorities in other countries, and obtaining regulatory approval in one country does not mean that regulatory approval will be obtained in any other country. Seeking foreign regulatory approval could require additional nonclinical studies or clinical trials, which could be costly and time-consuming. Other foreign regulatory approval processes may include all or more of the risks associated with obtaining the NMPA and/or FDA approval, and we may not obtain foreign regulatory approvals on a timely basis, if at all.

As reported publicly, the U.S. FDA underwent a workforce reduction affecting approximately 3,500 employees effective April 1, 2025. While the full impact of this development remains uncertain, it has been suggested that the FDA's ability to issue new guidance, respond to regulatory queries, or process applications in a timely manner may be affected in the short term. However, according to public statements made by the U.S. Department of Health and Human Services, the layoffs are not expected to affect personnel directly responsible for reviewing or inspecting medical products and food.

As of the Latest Practicable Date, the progress of our R&D activities in the U.S. had not been materially impacted by the workforce reduction in the FDA or other U.S. government agencies. Our principal R&D activities in the United States include: the ongoing multi-regional Phase III clinical trial of AP301; the planned multi-regional Phase IIb clinical trial of AP306; and the planned Phase II clinical trials of AP303. Given the FDA workforce reduction is a relatively new development, we cannot predict whether or to what extent the FDA workforce reduction may affect the review timeline or outcome of our IND application or other future regulatory interactions.

We rely on our current and potential business partners' willingness and ability to develop and commercialize our product and product candidates as contemplated in our collaboration agreements.

We rely on our current and potential business partners in various aspects, including to undertake research and development programs and conduct clinical trials, manage or assist with the regulatory filings and approval process, and to assist with our commercialization efforts.

Our current and potential business partners have certain discretion regarding whether and on what timeline to pursue the planned activities and the quantity and nature of resources devoted to the development, commercialization, marketing and distribution of our product or product candidates. There can be no assurance that our current or potential business partners may perform their obligations under our agreements to our satisfaction. Consequently, our clinical trials may be extended, delayed or terminated, we may not be able to obtain regulatory approvals for, or successfully commercialize, our product candidates. For example, CROs and clinical investigators may fail to duly perform their contractual obligations or meet expected timelines; the scale, quality or accuracy of the clinical data they obtain is compromised due to their failure to adhere to our clinical protocols, regulatory requirements or for other reasons. They may fail to maintain necessary licenses or comply with the applicable GCP, the clinical data generated in our clinical trials may be deemed unreliable and relevant regulatory authorities may require us to repeat or perform additional clinical trials before approving our marketing applications.

Switching or adding additional business partners involves additional cost and delays, which can significantly influence our ability to meet our desired clinical development and commercialization timelines. Our business partners may terminate the collaboration agreements prior to the expiry of contemplated terms or seek to change the terms of the collaboration agreements with adverse impact to us. The occurrence of any of the above events could significantly impact the development and commercialization of our product candidates and our business, financial conditions and results of operations could be materially and adversely affected.

If we cannot maintain or develop clinical collaborations and relationships with our principal investigators, key opinion leaders, physicians, experts and leading hospitals, our business, financial conditions and results of operations could be adversely affected.

Our relationships with principal investigators ("**PIs**"), key opinion leaders ("**KOLs**"), physicians, experts and leading hospitals play important roles in our research and development and future marketing activities. We have established extensive interaction channels with PIs, KOLs, physicians, experts and leading hospitals to gain first-hand knowledge of clinical needs and clinical practice trends, which is critical to our ability to develop new market-responsive drugs.

However, we cannot assure you that we will be able to maintain or strengthen our clinical collaborations and relationships with such PIs, KOLs, physicians, experts and leading hospitals, or that our efforts to maintain or strengthen such relationships will yield the successful development and marketing of new products. These business partners may leave their roles, change their business or practice focus, choose to no longer cooperate with us or cooperate with our competitors instead. Even if they continue to cooperate with us, their market insights and perceptions, which we take into account in our research and development process, may be inaccurate or misleading. Moreover, we cannot assure you that our academic promotion and scientific focused commercialization strategy will continue to serve as an effective marketing strategy. Business partners may no longer want to collaborate with us and our marketing strategy may no longer be able to yield results that are commensurate with our efforts spent. If we are unable to develop new product candidates or generate returns from our relationships with business partners as anticipated, or at all, our business, financial conditions and results of operations may be materially and adversely affected.

We may face competition from drug manufacturers who may commercialize competing products that are more effectively marketed or cost less than ours, or receive regulatory approval or reach the market earlier.

We face competition from existing drugs and drug candidates under development in the global renal disease market. Competition in therapeutic areas such as CKD diseases, indications and complications, to which our Core Product AP301, AP303 and AP306 belong, is increasingly intense given the abundance of existing CKD treatment options, the emergence of new CKD treatment options as well as the growing attention from multinational companies on renal diseases. For details, see "Industry Overview — Overview Of Chronic Kidney Disease And Therapeutic Landscapes."

Our commercial opportunities may be adversely impacted if our competitors develop and commercialize drugs that are safer, more effective, more convenient, or less expensive than any of the drug products that we may develop or commercialize. Our competitors may obtain approval from relevant regulatory authorities for their drugs more quickly than we do, which could result in our competitors establishing a strong market position before we are able to enter the market. This may render our product candidates obsolete or less competitive before we can recover the expenses of developing and commercializing our product candidates.

Many of the companies against which we are competing or against which we may compete in the future have greater financial, technical and human resources and expertise in research and development, manufacturing, clinical trials, obtaining regulatory approvals and marketing approved drug products than we do. Smaller and other early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. Additional mergers and acquisitions in the pharmaceutical industries may result in even more resources being concentrated among a smaller number of competitors. These third parties compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

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

The timely completion of clinical trials in accordance with requisite protocols depends, among other things, on our ability to enroll enough participants who remain in the trials until their conclusion. We may experience difficulties in participant enrollment in our clinical trials for a variety of reasons, including the size and nature of the patient population, the patient eligibility criteria defined in the clinical trial protocol, the resources we invest to facilitate timely subject enrollment in our clinical trials and the efforts made by trial execution personnel including our CROs to screen and recruit eligible subjects, among others.

In addition, our clinical trials may compete with other clinical trials for drug candidates that are in the same therapeutic areas as our product candidates. Such competition will likely reduce the number and types of patients available to us, because some patients may instead opt to enroll in a trial being conducted by one of our competitors. Even if we are able to enroll a sufficient number of subjects in our clinical trials, delays in subject enrollment may result in increased costs or may affect the timing or outcome of the planned clinical trials, which could delay or prevent the completion of these trials and adversely affect our ability to advance the development of our product candidates.

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

To keep pace with the vibrant development of the renal disease treatment industry, we have invested substantial capital, time, human and other resources to develop our product candidates, strengthen our technical capabilities in the development and manufacture of our product candidates, identify new technological and commercialization opportunities and obtain proper intellectual property protection. For example, in 2024 and 2025, our research and development expenses were RMB235.4 million and RMB372.6 million, respectively. We intend to continue to strengthen our research and development, sales and marketing and management capabilities, which require substantial capital and time investment. We cannot assure you that we will be able to enhance such capabilities in a timely and cost-effective manner. Any failure to do so may render our previous efforts obsolete, which could significantly reduce the competitiveness of our product candidates, and harm our business and prospects.

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

Before obtaining regulatory approval for the sale of our product candidates, we must conduct extensive clinical trials to demonstrate the safety and efficacy of our product candidates in humans. We may experience numerous unexpected events during, or as a result of, clinical trials that could delay or prevent our ability to receive regulatory approval for our product candidates, including but not limited to: (i) we or our investigators may not be authorized to commence a clinical trial or conduct a clinical trial at a prospective trial site; (ii) clinical trials of our product candidates may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional clinical trials or abandon drug development programs; (iii) our third-party contractors, including clinical investigators, may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all; (iv) drug candidates supplied by third parties for use in a clinical trial may have quality issues or result in severe adverse events ("**SAEs**"), leading to product liability; and (v) we might have to suspend or terminate clinical trials of our product candidates for various reasons, including a finding of a lack of clinical response or other unexpected characteristics or a finding that participants are being exposed to unacceptable health risks.

Adverse events ("**AEs**") and undesirable side effects caused by our product and product candidates could cause us or regulatory authorities to interrupt, delay or halt clinical trials and may result in a narrowed scope of indications or a more restrictive label of our product candidates, a delay or denial of regulatory approval by relevant regulatory authorities, or a significant change in our clinical protocol or even our development plan. Results of trials conducted by us or by our business partners with respect to our product candidates could reveal a high and unacceptable severity or prevalence of certain AEs. In such an event, such trials could be suspended or terminated and relevant regulatory authorities could order us or our licensing partners, as applicable, to cease further development of, or deny approval of, our product candidates for any or all targeted indications. We may in the future be subject to actual or threatened liability claims related to perceived AEs and undesirable side effects related to our product candidates. Responding to such claims may divert our management's attention and resources, and there can be no assurance that our defenses will be successful. Actual or perceived AEs and undesirable side effects related to our product candidates may also affect subject recruitment or the ability of enrolled subjects to complete the trial. Any of these occurrences may significantly harm our reputation, business, financial conditions and prospects.

We may fail to sufficiently and promptly respond to and adapt to rapid scientific and technological changes, clinical demand and market changes in the industry, and we may be unable to establish strong market presence in this industry for a variety of reasons.

The global renal disease industry is characterized by advances in science and technology and the emergence of new treatment options. Our future success partially depends on our ability to launch new products that meet evolving market demands, in particular, new drugs that are effective in treating renal diseases. We cannot assure you that we will be able to respond to emerging or evolving trends by improving our product portfolio in a timely manner, or at all. In addition, we may need to adjust our research and development plan, production scale and schedule, product portfolio, and inventory levels based on market demand, sales trends and other market conditions. There can be no assurance that we will be able to sufficiently and promptly respond to changes in clinical demand and purchasing patterns in the future, and such failure may have an adverse effect on our business, financial conditions, results of operations and profitability.

All material aspects of the research and development, manufacturing and commercialization of our product and product candidates are heavily regulated. Any failure to comply with relevant laws and regulations may materially and adversely affect our business, financial conditions, results of operations and prospects.

We adopt a global development strategy, and all jurisdictions in which we operate or intend to conduct our pharmaceutical industry activities regulate these activities in great depth and detail. These jurisdictions strictly regulate the pharmaceutical industry, and in doing so they implement extensive regulations governing the development, approval, manufacturing, marketing, sales and distribution of pharmaceutical products. Efforts to adapt to the differences in these regulatory regimes impose a complex and costly regulatory compliance burden on us.

The process of obtaining regulatory approvals and maintaining compliance with appropriate laws and regulations requires spending of substantial time and financial resources. Any recently enacted and future legislation may increase the difficulty and cost of us to obtain regulatory approval of, and commercialize, our product candidates, and affect the prices we may obtain. Changes in government regulations or in practices relating to the pharmaceutical industry, such as a relaxation in regulatory requirements; the introduction of simplified approval procedures, which would lower the entry barrier for potential competitors; or an increase in regulatory requirements, which may increase the difficulty for us to satisfy such requirements, may have a material and adverse impact on our business, financial conditions, results of operations, and prospects.

Failure to comply with the applicable requirements at any time during the drug development process or approval process, or after approval, may subject us to administrative or judicial sanctions. These sanctions could include, but are not limited to, a regulator's refusal to approve pending applications, withdrawal of an approval, license revocation, a clinical hold, voluntary or mandatory product recalls, product seizures, total or partial suspension of manufacturing or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement or civil or criminal penalties. Any occurrence of the foregoing could therefore materially and adversely affect our business, financial conditions, results of operations and prospects.

RISKS RELATING TO COMMERCIALIZATION AND MANUFACTURING

Due to the similarities of therapeutic effect and applicable indication for certain product candidates, there may be an overlap of addressable market or risk of cannibalization.

In clinical practice, AP301 and AP306 can be applicable to a same group of hyperphosphatemia patients, thereby causing potential competition between the two products in a certain market. As we plan to commercialize both product candidates globally, depending on market feedback, there may be an overlap of addressable market and risk of cannibalization. As a result, there are risks associated with managing overlaps and potential cannibalization between the two product candidates, which may negatively impact our business, results of operations, financial conditions and prospects.

The sales of one commercialized product accounted for all of our revenue during the Track Record Period. If we are unable to maintain the sales volume, pricing levels and profit margins, our business, financial conditions and results of operations could be materially and adversely affected.

During the Track Record Period, we generated revenue from the sales of Mircera® in China. We expect that the revenue from the sales of Mircera® will continue to contribute to a significant, if not the entire portion of our revenue, for the foreseeable years, before we commercialize our Core Product, AP301. If we fail to maintain the sales volume, pricing levels and profit margins of Mircera® to achieve or further promote the widespread market acceptance of the commercialized product, or to grow or retain our customer or consumer base, our business, results of operations and financial conditions may be materially and adversely affected.

As our revenue is, and we expect will continue to be, concentrated in the Mircera® before we launch other product candidates, including our Core Product AP301, we may be susceptible to factors adversely affecting the sales volume, pricing level or profitability of Mircera®, including (i) the exclusion from, or reduced coverage under, the government-sponsored or major commercial insurance programs; (ii) unfavorable government pricing regulations; (iii) sales and popularity of substitute products by competitors; (iv) interruptions in the supply of raw materials or increases in the cost of raw materials; (v) the failure to maintain an adequate and stable supply of our commercialized product; (vi) issues with product quality or side effects; and (vii) adverse changes in our sales and distribution network.

Many of these factors are outside of our control, and any factor adversely affecting the sales volumes, pricing levels and profit margins of our commercialized product could materially and adversely affect our operations, revenue and profitability.

We may not effectively leverage our experience in effectively marketing our product and product candidates. If we are unable to properly build and manage our commercial network or benefit from strategic external partnerships with business partners, we may be unable to generate sufficient revenue, or at all.

Successful sales and marketing are crucial for us to increase the market penetration of our products and product candidates after they are commercialized, expand coverage of hospitals and other medical institutions and promote new products in the future. As of the Latest Practicable Date, we carry out sophisticated commercialization activities only for Mircera® and in China. For our product candidates, including our Core Product AP301, our commercialization strategy involves a combination of in-house capabilities and collaborations with renowned business partners. As a result, we rely on ourselves and our current and future business partners' willingness and ability to devote resources to the development and commercialization of such product candidates and to otherwise support our business as contemplated in our collaboration agreements. We may require a longer time frame or be less cost-efficient in the commercialization process best tailored to launching and marketing each of our product candidates. Although our core management team and sales team do possess deep experience in marketing CKD drug products and benefit from our experience commercializing Mircera® in China, we cannot guarantee that such experience translates perfectly into the successful commercialization of our product candidates. We may dynamically adjust our commercialization plan due to the low commercial value or high promotion difficulty of the relevant products after they are approved, which may have a material impact on our overall operations and financial conditions.

In addition, our sales and marketing efforts are scientific focused and consist of raising awareness and knowledge of our product and product candidates among medical professionals, hospitals, other medical institutions and pharmacies. Therefore, our sales and marketing force must possess a relatively high level of technical knowledge, up-to-date understanding of industry trends, necessary expertise in the relevant therapeutic areas and products, as well as sufficient promotion and communication skills. If we or our commercialization business partners are unable to effectively train sales and marketing representatives, the sales and marketing of our pipeline products may be less successful than desired.

Furthermore, as we will pursue collaborative arrangements regarding the sales and marketing of our product candidates, there can be no assurance that we will be able to establish or maintain such collaborative arrangements, or if we are able to do so, our business partners will have effective sales forces. We may have little or no control over the marketing and sales efforts of such third parties beyond contractual terms, and our revenue from product sales may be lower than if we had commercialized our product candidates ourselves. We also face competition in our search for third parties to assist us with the sales and marketing efforts for our product candidates. Therefore, we cannot assure you that we will be able to establish or maintain relationships with third-party partners to successfully and continuously commercialize any product. As a result, we may not be able to generate the anticipated product sales revenue.

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

Counterfeit pharmaceutical products are manufactured without proper licenses or approvals, or are fraudulently mislabeled with respect to their content or manufacturers. These products are generally referred to as counterfeit pharmaceutical products. Pharmaceutical product control and enforcement system, particularly in emerging markets, may be inadequate to discourage or eliminate the manufacturing and sale of counterfeit pharmaceutical products. Since counterfeit pharmaceutical products in many cases have very similar appearances compared with the authentic biopharmaceutical products but are generally sold at lower prices, they can quickly erode the demand for our existing commercialized product and future approved product candidates. In addition, thefts of inventory at warehouses, plants or while in-transit, could lead to our products being wrongfully stored and handled, and eventually sold through unauthorized channels. A patient

who receives a counterfeit or unauthorized pharmaceutical product may be at risk for a number of dangerous health consequences, which potentially exposes us to product liability claims, government investigations, and other disputes and negative consequences. Our reputation and business could suffer as a result of counterfeit or unauthorized pharmaceutical products sold under our or our business partners' brand name(s).

The illegal importation of competing products from jurisdictions where government price controls or other market dynamics result in lower prices may adversely affect the demand for our product and product candidates and, in turn, may adversely affect our sales and profitability in jurisdictions where we commercialize our products upon approval. Any future legislation or regulations that increase consumer access to lower priced medicines from jurisdictions where we operate could have a material and adverse effect on our business.

Negative results from off-label uses of our product candidates could harm our reputation, product brand, business operations and financial conditions and expose us to liability.

Off-label drug use is the prescription of a product for an indication, dosage or in a dosage form that is not in accordance with regulatory approved usage and labeling. Even though the NMPA, the FDA and other comparable regulatory authorities actively enforce laws and regulations prohibiting the promotion of off-label use, there remains the risk that our product is subject to off-label drug use and is prescribed in a patient population, dosage or dosage form that has not been approved by competent authorities. This occurrence may render our products less effective or entirely ineffective and may cause adverse drug reactions or AEs. Any of these occurrences can create negative publicity, expose us to liability, cause a delay in the progress of our clinical trials or ultimately result in failure to obtain regulatory approval for our product candidates, which may materially and adversely affect our business reputation, results of operations and financial conditions.

Our commercialized product and future approved product candidates may not be covered by insurance or reimbursement programs or may become subject to unfavorable insurance policies or reimbursement practices, which will lead to the possibility of our products not meeting sales expectations in the future.

Our ability to commercialize any approved product candidates successfully may depend in part on the extent to which reimbursement for our products when commercialized and related treatments will be available from government health administration authorities, private health insurers and other organizations. As of the Latest Practicable Date, Mircera® has been included in the National Reimbursement Drug List ("**NRDL**"). We intend to seek the inclusion of our product candidates, following their commercial launch, in the NRDL and other insurance coverage and reimbursement programs. We did not experience any inability or impediments to enlist or obtain reimbursement coverage for our commercialized product during the Track Record Period. However, there can be no assurance that any of our future approved product candidates will be included in the NRDL or be continuously included in the NRDL. If we were to successfully launch commercial sales of our products but unable to have our products included in the NRDL, our revenue from commercial sales would be highly dependent on patient self-payment, which can make our products less competitive. Patients may choose other drugs with similar or even less efficiency but lower price which have been included in the NRDL. In addition, even if our product candidates are successfully included in the NRDL, the drug procurement catalog under the central procurement scheme in China or any other reimbursement programs sponsored by government health administration authorities and third-party payers, our potential revenue from the sales of these products could still decrease as a result of the potential deeper-than-expected price reduction required for our products to be included in such reimbursement programs due to price control policies.

In the U.S., no uniform policy of coverage and reimbursement for drugs exists among third-party payers, while patients primarily purchase commercial health insurance or participate in the Medicare program administered by the Center for Medicare & Medicaid Services, an agency within the United States Department of Health and Human Services. As a result, obtaining coverage

and reimbursement approval of a drug from governments or other third-party payers is a time-consuming and costly process that could require us to provide supporting scientific, clinical and cost-effectiveness data for the use of our future approved product candidates on a payer-by-payer basis, with no assurance that coverage and adequate reimbursement will be obtained. Even if we obtain coverage for a given drug, the resulting reimbursement rates might not be adequate for us to achieve or sustain profitability or may require co-payments that patients find unacceptably high. Additionally, third-party payers may not cover, or provide adequate reimbursement for, long-term follow-up evaluations required following the use of our future approved product candidates. Patients are unlikely to use any of our future approved product candidates unless coverage is provided, and reimbursement may be inadequate to cover a significant portion of the cost of the drugs.

We cannot be sure that reimbursement will be available for any approved product candidates that we commercialize and, if reimbursement is available, the level of reimbursement. Reimbursement may impact the demand for, or the price of, any approved product candidates that we commercialize. If reimbursement is not available or is available only to limited levels, we may not be able to successfully commercialize any product candidates that we successfully develop.

The pricing of our products when commercialized may be subject to other downward pressure which may have a material and adverse effect on our business and results of operations.

We may experience downward pressure on the pricing of our product and product candidates mainly from governmental price control measures and some other sources, many of which may be beyond our control. For example, we may need to lower the price for our product and product candidates in light of the potential launch and commercialization of competing products that tackle similar indications with improved efficacy and safety profile. If we experience such downward pressure on the pricing of our product and product candidates, our revenue from the sales of our product and product candidates will decrease, which may have a material and adverse effect on our business and results of operations.

We have limited experience in manufacturing drug products on a large clinical or commercial scale, and our business could be materially and adversely affected if we encounter problems in manufacturing our product candidates.

We have limited experience in manufacturing pharmaceutical products on a commercial scale, which is a complex process requiring significant expertise and capital investment, in part due to strict regulatory requirements. If problems arise during the manufacturing process of certain future products, such as the low quality or insufficient supply of Active Pharmaceutical Ingredients ("**APIs**"), any failure to follow specific protocols and procedures, altered manufacturing methods and formulations that cause product candidates to perform less effectively, equipment malfunction and man-made or natural disasters, or our products' failure to meet relevant industry or regulatory standards or specifications, a batch or several related batches of such product may have to be discarded. The occurrence of any such events could restrict our manufacturing capacity, the availability of our products for commercial sale, or render us unable to meet the increasing demand for our products, which may materially and adversely affect our results of operations and financial conditions. If problems are not discovered before the relevant products are released to the market, we may incur additional costs in connection with product recalls and product liability.

Delays in completing and receiving regulatory approvals for our manufacturing facilities, or potential damage to, destruction of or interruption of future manufacturing capabilities at such facilities, could delay our development plans or commercialization efforts.

As of the Latest Practicable Date, we owned our manufacturing facility in Yangzhou. For details, see "Business — Manufacturing". If the commencement of operations at our facilities, the receipt or renewal of regulatory evaluation and/or approval for our facilities is delayed, we may not be able to manufacture sufficient quantities of our product candidates, if approved, which would limit our development and commercialization activities and our opportunities for growth. Cost

overruns associated with constructing or maintaining our facilities could require us to raise additional funds from other sources. Any failure to comply with applicable regulations on our part or by our CDMOs could also result in sanctions being imposed, including fines, injunctions, penalties, a requirement to suspend or put on hold one or more of our clinical trials, failure of regulatory authorities to grant marketing approval of our product candidates, delays, suspension or withdrawal of approvals, supply disruptions, license revocation, seizures or recalls of our product and/or product candidates, operating restrictions and criminal prosecutions, any of which could materially and adversely affect our business.

If our or our CDMOs' manufacturing facilities, or the equipment in them are damaged or destroyed, we may not be able to quickly or economically replace the manufacturing capacity or at all. In the event of a temporary or protracted loss of the facilities or equipment, we might not be able to transfer manufacturing to a third party in a timely and cost-effective manner. In addition, we may be unable to obtain regulatory agency approval before selling any products manufactured at that facility. Any such disruption that impedes our ability to manufacture our product candidates in a timely manner could materially and adversely affect our business, financial conditions and operating results.

We may engage in the expansion of the manufacturing facilities which may not be as successful as planned.

As we bring our product candidates to the commercial stage, we may engage in the expansion of our manufacturing facilities to meet the increasing demand for our products. The completion of such expansion of the manufacturing facilities may involve obtaining additional regulatory approvals and reviews by various authorities, including, but not limited to, urban planning, construction, safety and environmental protection authorities. We cannot assure you that we will be able to obtain all of such required approvals, permits and licenses. Expansion of the manufacturing facilities also may not be completed on the anticipated timetable or within budget. We may also be unable to fully utilize the manufacturing capacity after the expansion of our manufacturing facilities. Any of the foregoing factors could materially and adversely affect our results of operations and prospects and result in loss of business opportunities.

Guidelines, recommendations and studies published by various organizations could disfavor our commercialized product and/or product candidates.

Government agencies, professional societies, private health and science foundations and organizations focused on various diseases may publish guidelines, recommendations or studies that affect our or our competitors' product and product candidates. Currently, there are not any unfavorable guidelines, recommendations and studies published by various organizations in relation to our commercialized product. However, any such guidelines, recommendations or studies that reflect negatively on our commercialized product and product candidates, when commercialized, either directly or relative to competing drug products, could result in current or potential decreased use and/or sales of, and revenue from our product and product candidates. Furthermore, our success depends in part on the ability to educate healthcare providers and patients about our product and product candidates, and these education efforts could be rendered ineffective by, among other things, third parties' guidelines, recommendations or studies.

RISKS RELATING TO OUR INTELLECTUAL PROPERTY RIGHTS

If we or our partners are unable to obtain and maintain adequate intellectual property protection for our product and product candidates throughout the selected markets in the world, our ability to successfully commercialize our product and product candidates may be adversely affected.

We seek to protect our product candidates and technologies that we consider commercially important primarily by filing patent applications in China, the U.S. and other countries or regions as well as relying on trade secrets or pharmaceutical regulatory protection or employing a combination of these methods. However, filing, prosecuting, maintaining and defending patents in all countries throughout the world could be prohibitively expensive for us, and our intellectual property rights in some countries can have a different scope and strength than do those in some other countries. We or our business partners may not be able to file and prosecute all necessary or desirable patent applications and secure other intellectual property protection in all relevant jurisdictions in a timely manner. It is also possible that we or our business partners will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. Moreover, we or our business partners may fail to timely identify third-party infringement of our intellectual property rights and take necessary actions to defend and enforce our rights, or at all.

As of the Latest Practicable Date, we had not received any material concerns or inquiries from relevant competent authorities that leads us to believe that any of the pending patent applications will be rejected. However, we cannot assure you that all of our patent applications will be granted. Patent applications may not be granted for a number of reasons, including a late application date, known or unknown prior art, deficiencies in the patent application or the lack of novelty or non-obviousness of the underlying invention or technology. China, the U.S. and Europe have adopted the "first-to-file" system, under which the first inventor to file a patent application will be awarded the patent if all other patentability requirements are met, which will typically not be published until an 18-month waiting period after filing, or in some cases, not at all. Therefore, we cannot be certain that we or our business partners were the first to make the inventions claimed in our owned or licensed patents or pending patent applications or that we or our business partners were the first to file for patent protection of such inventions.

In addition, periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents and patent applications are due to be paid and will be paid to applicable patent agencies in several stages over the lifetime of a patent. Such applicable patent agencies require compliance with a number of procedural, documentary, fee payment, and other similar provisions during the patent application process. Although an inadvertent lapse can in many cases be cured by the payment of a late fee or by other means in accordance with the applicable rules, there are situations in which non-compliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Non-compliance events that could result in abandonment or lapse of a patent or patent application include the failure to respond to official actions within prescribed time limits, non-payment of fees, and the failure to properly legalize and submit formal documents. In any such event, our competitors might be able to enter the market, which would have a material and adverse effect on our business.

Our patent rights may be challenged and invalidated. We may become involved in lawsuits to protect or enforce our intellectual properties, which could be expensive, time-consuming and unsuccessful. This may lead to unfavorable publicity which may harm our reputation and result in additional distraction of our personnel. This may further cause the [REDACTED] of our H Shares to decline.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our patent rights may be challenged in the courts or patent offices in China, the U.S. and other jurisdictions. We may be subject to claims that former employees, business partners or other third parties have an interest in our patents or other intellectual property or become involved in opposition, derivation, revocation, reexamination, post-grant and inter partes review, or interference proceedings challenging our patent rights or the patent rights of others. If we are unsuccessful in any interference proceedings or other priority, inventorship or validity disputes (including any patent oppositions) to which our intellectual properties are subject, we may lose valuable intellectual property rights through the loss of one or more patents, loss of exclusive ownership or our patent claims may be narrowed, invalidated, or held unenforceable. We may also be required to obtain and maintain licenses from third parties, including parties involved in any such interference proceedings or other priority or inventorship disputes. Such licenses may not be available on commercially reasonable terms or at all, or may be non-exclusive. If we are unable to obtain and maintain such licenses, we may need to cease the development, manufacture and commercialization of one or more of our product candidates. The loss of exclusivity or the narrowing of our patent claims could limit our ability to stop others from using or commercializing similar or identical drug products. Any of the foregoing could result in a material and adverse effect on our business, financial conditions, results of operations or prospects. Even if we are successful in an interference proceeding or other similar priority or inventorship disputes, it could result in substantial costs and be a distraction to our management and other employees.

If our patent terms expire before or soon after our product candidates are approved, our business may be materially harmed.

The life of a patent, and the protection it affords, is limited. For example, the expiration of a patent is generally 20 years for inventions in China and generally 20 years from the earliest date of filing of the first non-provisional patent application to which the patent claims priority in the U.S. Patent extensions may enable the patent owner to submit applications for a patent term extension of up to a maximum length of five years, and after the new drug is approved for marketing, the total effective term of the patent shall not exceed 14 years. In the U.S., product candidates designated as orphan drugs or which are approved for designated orphan indication may be granted seven years of market exclusivity.

Even if we believe that we are eligible for certain patent term extensions, there can be no assurance that the relevant governmental authorities will agree with our assessment of whether such extensions are available, and such authorities may refuse to grant extensions to our patents, or may grant more limited extensions than we request. In addition, we may fail to obtain the extension due to our failure to satisfy applicable requirements, such as failing to exercise due diligence during the testing phase or regulatory review process, apply within applicable deadlines, or apply prior to the expiration of relevant patents. Once the patent life has expired, we may be open to competition from competitive medications. In addition, a lower-cost generic drug can emerge into the market much more quickly, leading to early generic competition that may have a material and adverse effect on our financial conditions and business prospects.

We may become subject to intellectual property infringement or misappropriation claims, which could expose us to substantial liability, harm our reputation, limit our research and development or other business activities and/or impair our ability to commercialize our product candidates.

We may receive in the future, notices that claim our technologies or certain other aspects of our business have infringed, misappropriated or misused other parties' intellectual property rights. Whether third-party intellectual property claims are with or without merit, there is no assurance that a court would find in our favor on questions of infringement, validity, enforceability or priority. A court of competent jurisdiction may hold that these third-party patents are valid, enforceable and infringed, which could materially and adversely affect our ability to commercialize any product candidates or technologies covered by the asserted third-party patents. Defending against claims of patent infringement, misappropriation of trade secrets or other violations of intellectual property rights involves an analysis of complex legal and factual issues, the determination of which is often uncertain, and thus it could be costly and time-consuming, regardless of the outcome. Thus, even if we were to ultimately prevail, or to settle at an early stage, such litigation could result in a substantial diversion of management resources and burden us with substantial unanticipated costs. Moreover, some of our competitors are larger than we are and are able to mobilize substantially greater resources than we do. They are, therefore, likely to be able to sustain the costs of complex intellectual property litigation longer than we could. In addition, the uncertainties associated with litigation could have a material and adverse effect on our ability to raise the funds necessary to conduct our clinical trials, continue our internal research projects, in-license needed technologies, or enter into strategic partnerships that would help us bring our product candidates to market.

Changes in patent law in the jurisdictions in which we operate could diminish the value of patents in general, thereby impairing our ability to protect our product candidates.

The laws and regulations governing patents could be revised from time to time that would affect our ability to obtain or enforce new or existing patents. Such revisions may impact the value of our patent or other intellectual property rights. For instance, the U.S. has enacted wide-ranging patent reform legislation and its court rulings have narrowed the scope of patent protection available in certain circumstances and weakened the rights of patent owners in certain situations. The changes in patent law may thus create uncertainty with respect to the value of patents once obtained, if any.

We may not have the right to control the preparation, filing, prosecution, maintenance, extension, enforcement and defense of patents and patent applications covering the product and product candidates that we license from third parties, which could have a material and adverse effect on us. Any failure by our licensors or such patent owners to effectively protect these patent rights could adversely impact our business and operations.

We may not have the right to control the preparation, filing, prosecution, maintenance, enforcement or defense of patents and patent applications covering the product candidates that we have in-licensed or may in-license from third parties in the future. Therefore, we cannot be certain that these patents and patent applications will be prepared, filed, prosecuted, maintained, enforced and defended in a manner consistent with the best interests of our business. In addition, our future licensing partners may not be the sole and exclusive owners of the intellectual property rights we in-license in some cases. They may breach or otherwise violate any such agreements, their rights thereunder may be terminated and our licensing partners may no longer be able to sublicense such rights to us. If we continue to enter into in-licensing agreements in the future, and such future licensing partners fail to prosecute, maintain, enforce or defend the patents we license in, or lose rights to those patents or patent applications, the rights we will have licensed may be reduced or eliminated, and our right to develop and commercialize any of our products that are subject of such potential licensed rights could be adversely affected.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed.

In addition to patents, we rely on trade secrets and confidential information, including unpatented know-how, technology and other proprietary information, to maintain our competitive position and to protect our product candidates. We seek to protect our trade secrets and confidential information, in part, by controlling the scope of knowledge and entering into non-disclosure and confidentiality agreements with parties that have access to our trade secrets or confidential information. However, we may not be able to properly monitor and prevent the unauthorized disclosure or use of our trade secrets and confidential information by the parties to these agreements. We are not aware of any threatened or pending claims concerning the agreements with our employees or senior management, but in the future litigation may be necessary to enforce such agreements. As a result, we could lose our trade secrets and third parties could use our trade secrets to compete with our product candidates and technology. Additionally, we cannot guarantee that we have entered into such agreements with each party that may have or has had access to our trade secrets or proprietary technology and processes. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret can be difficult, expensive and time-consuming. The outcome is unpredictable and we may be unable to obtain adequate remedies for such violation. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other third parties, it would be hard for us to prevent them from using that technology or information to compete with us and our competitive position would be harmed.

If our trademarks and trade names are not adequately protected, then we may not be able to build name recognition in our markets of interest and our business may be adversely affected.

As of the Latest Practicable Date, we held six registered trademarks in Chinese Mainland, and three registered trademarks in Hong Kong. We are also the owner of one domain name. If we are unsuccessful in obtaining trademark protection for our primary brands, we may be required to change our brand names, which could materially adversely affect our business. Moreover, as our products mature, our reliance on our trademarks to differentiate us from our competitors will increase, and as a result, if we are unable to prevent third parties from adopting, registering or using trademarks and trade dress that infringe, dilute or otherwise violate our trademark rights, or engaging in any conduct that constitutes unfair competition, defamation or other violation of our rights, our business could be materially adversely affected.

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

Our intellectual property rights may not be sufficient to prevent third parties from developing or commercializing competing products or technologies, and our patent applications may not result in issued patents or provide meaningful competitive protection. If we fail to maintain or enforce effective intellectual property protection, our competitive position, business, financial condition, results of operations and prospects could be materially and adversely affected.

RISKS RELATING TO OUR FINANCIAL POSITION

We have incurred significant net operating losses since our inception, and expect to continue to incur losses and may never achieve or maintain profitability.

Investment in the development of innovative biopharmaceutical products can be highly speculative as it entails substantial upfront expenditures and significant risks that a product candidate may fail to demonstrate efficacy and safety to gain regulatory or marketing approvals or become commercially viable. During the Track Record Period, while we generated revenue from the sales of Mircera®, we continue to incur significant research and development in relation to, among others, our preclinical studies and clinical trials and other expenses related to our product candidates. As a result, we are not profitable and have incurred operating losses since our inception. In 2024 and 2025, our total losses were RMB335.1 million and RMB751.8 million, respectively. Our ability to generate revenue and achieve profitability depends significantly on our success in advancing innovative product candidates into later stages of clinical development, obtaining regulatory approvals for each product candidate, and successfully commercializing them in jurisdictions where we operate, which we may not be able to do in a timely manner or at all.

We incurred net operating cash outflows, net current liabilities and net liabilities during the Track Record Period and may need to obtain substantial additional financing to fund our operations and expansion, which may not be available on commercially reasonable terms, or at all. If we are unable to secure such financing, we may be forced to delay, reduce or unable to complete the development and commercialization of our product candidates.

Since our inception, our operations have consumed substantial amounts of cash. We had net cash used in operating activities of RMB249.9 million and RMB287.9 million in 2024 and 2025, respectively. As of December 31, 2024 and 2025, we had net liabilities of RMB1,341.2 million and net assets of RMB503.2 million, respectively. As of December 31, 2024 and 2025, we recorded net current liabilities of RMB1,555.2 million and net current assets of RMB318.9 million, respectively. As we conduct the [**REDACTED**], we may require substantial additional capital to meet our continued operating needs, especially to fund our research and development activities, commercialize our product candidates, expand our manufacturing capabilities and repay our project loans. Therefore, we may seek additional funding through public or private offerings, debt financing, collaboration and licensing arrangements and other sources. However, certain factors beyond our control may affect our ability to raise capital. Failure to secure additional funding on favorable or commercially reasonable terms to us, or at all, may materially and adversely impact our business prospects, financial conditions and results of operations.

We may encounter difficulties in managing our anticipated growth or expanding our operations successfully.

Future growth will impose significant additional responsibilities on our management. Managing our growth and executing our growth strategies will require, among other things, our ability to continue to innovate and develop advanced technology in the highly competitive global pharmaceutical market, effective coordination and integration of our teams across different sites, successful hiring and training of personnel, effective cost control, sufficient liquidity, effective and efficient financial and management control, increased sales and marketing activities, enhanced quality control, and proper management of our suppliers and business partners. If we are not able to effectively manage our growth or execute our growth strategies, our business, financial conditions, results of operations and prospects could be adversely affected.

Share-based payments may have a material and adverse effect on our financial performance and cause shareholding dilution to our Shareholders.

We have granted share-based payments to, among others, attract and retain outstanding individuals. We believe the granting of share-based payment is of significant importance to our ability to attract and retain key personnel and employees, and we may continue to grant share-based payment to employees in the future. In 2024 and 2025, we incurred equity-settled share-based payment compensation of RMB21.9 million and RMB260.8 million, respectively. We may re-evaluate the vesting schedules, lock-up period, exercise price or other key terms applicable to the payments under our currently effective share incentive plans and any subsequently adopted employee stock ownership plan from time to time. If we choose to do so, we may experience substantial change in our share-based payment charges. In addition, such past and future payments may dilute the shareholding percentage of our existing Shareholders and could result in a decline in the value of our H Shares.

Our property valuation is based on certain assumptions which, by their nature, are subjective and uncertain and may materially differ from actual results.

Valuation of our selected property interests as of March 31, 2026 prepared by AVISTA Valuation Advisory Limited, an independent property valuer, is set forth in the valuation report set out as Appendix III to this Document. The valuation is made based on assumptions which are subjective and uncertain and may differ from actual results. In addition, unforeseeable changes in general and local economic conditions or other factors beyond our control may affect the value of our properties. As a result, the valuation of our properties may differ materially from the price we could receive in an actual sale of the properties in the market and should not be taken as their actual realizable value or an estimation of their realizable value.

The expiration or discontinuation of any of government grants or preferential tax treatment currently available to us could adversely affect our financial conditions, results of operations, cash flows and prospects.

We have received and currently benefit from government grants and preferential tax treatments that reduce our overall tax obligations. These benefits include reduced tax rates, tax refunds, or other favorable tax policies provided by governmental authorities in certain jurisdictions where we operate. However, these preferential tax treatments are typically subject to review and renewal by the relevant tax authorities and are dependent on our compliance with applicable rules and regulations or satisfaction of certain conditions. There is no assurance that we will continue to properly comply with relevant rules and regulations or satisfy all relevant conditions to qualify for such preferential tax treatment or that these benefits will be renewed upon expiration. In addition, changes to existing laws, regulations, or interpretations of tax policies could result in the reduction or elimination of these benefits. The occurrence of any of the foregoing events could significantly increase our tax obligations and adversely affect our business, financial conditions, and results of operations.

Fluctuations in exchange rates of the Renminbi could result in foreign currency exchange losses.

Fluctuations in exchange rates between the Renminbi and the U.S. dollar and other currencies may be affected by, among other things, trade tensions between the U.S. and China, as well as international economic and political developments. Due to the economic situation and financial market developments in the PRC and abroad, the PRC government has decided to proceed further with reform of the Renminbi exchange rate regime and to enhance the Renminbi exchange rate flexibility. Changes in exchange rates have in the past, and could in the future continue to, materially and adversely affect our financial conditions and results of operations.

RISKS RELATING TO OUR OPERATIONS

We have limited operating history, which may make it difficult to evaluate our current business and predict our future performance.

We are a biopharmaceutical company with limited operating history. Our operations to date have focused on establishing our intellectual property portfolio, conducting drug discovery, preclinical studies and clinical trials of our product candidates, organizing and staffing our operations, business planning and raising capital. To date, we have one product approved for commercialization, from the sales of which we generated all our revenue.

Our limited operating history, particularly in light of the rapidly evolving pharmaceutical industry in which we operate, the inherent uncertainties in the research and development of the pharmaceuticals, and the changing regulatory and market environments we encounter, may make it difficult to evaluate our prospects for future performance. Consequently, any predictions about our future success or viability may not be as accurate as they could be if we had a longer operating history. We will encounter risks and difficulties frequently experienced by early-stage companies in rapidly evolving fields as we seek to transition to a company capable of supporting sophisticated commercial activities. If we do not address these risks and difficulties successfully or act properly in anticipation of certain uncertainties, our business may suffer and you may lose all of your [**REDACTED**] in us.

Any failure to obtain, amend or renew various filings, approvals, licenses, permits and certificates could materially and adversely affect our reputation, business, results of operations and prospects.

Pursuant to relevant laws and regulations, we are required to obtain, maintain and renew various approvals, licenses, permits and certificates from relevant authorities to operate our business. Any failure to obtain or renew any approvals, licenses, permits and certificates necessary for our operations may result in enforcement actions including orders issued by the relevant regulatory authorities to take remedial actions, suspend our operations or impose fines and penalties. If the interpretation or implementation of laws and regulations is adjusted in the future or new regulations come into effect, or the criteria used in reviewing applications for, or renewals of permits, licenses and certificates change to adapt to new developments, we may be required to obtain additional approvals, permits, licenses or certificates. We cannot assure you that we will be able to do so, which may restrict the conduct of our business, increase our costs, and in turn, adversely affect our results of operations and prospects.

Our future success depends in part on our ability to retain our Directors, senior management, key scientific employees and other qualified personnel. If we are unable to retain our key employees or to attract and retain skilled and experienced personnel, our business operations and prospects could be materially impaired.

We depend on the continued contributions of our Directors, senior management and other key employees, many of whom may be difficult or costly to replace. The industry experience, management expertise, professional knowledge and contributions of the key members of our senior management and R&D team such as Dr. Tian (co-founder, executive Director, chief medical officer) and Dr. Shu Chutian (chief technology officer) are crucial to the success of our operations and clinical development. See "Business — Research and Development" and "Directors and Senior Management" for details. Replacing executive officers, scientific employees, and other qualified personnel may take an extended period of time because of the limited number of individuals in our industry with the breadth of skillset and experience required to successfully develop, gain regulatory approval of and commercialize product candidates like those we develop. The loss of the services of any of our executive officers or other key employees could impede the achievement of our research and development and commercialization objectives.

We believe that there has been, and will continue to be, intense competition for highly skilled management, technical, sales and other personnel with experience in our industry. Our need to significantly increase the number of our qualified employees and retain key employees may cause us to materially increase compensation-related costs, including share-based compensation. We must provide competitive compensation packages and a high-quality work environment to hire, retain and motivate employees. If we fail to achieve any of the above, we may be unable to manage our business effectively, including the development, manufacturing, marketing and sale of our product candidates, which could adversely affect our business, operating results and financial conditions, and the [**REDACTED**] of our H Shares could suffer.

We had only one distributor during the Track Record Period, the loss of which could disrupt our operations.

During the Track Record Period, we generated revenue from sales to only one customer which acts as our logistics partner and distributor. We expect to continue such sales pattern in the near future, before the launch of our product candidates. Our reliance on this customer subjects us to the concentration and counterparty risk from this customer. We believe that we have established long and stable relationship with such customer and there are ample logistics partners and distributors to choose from in the market. However, we cannot assure you that we will be able to maintain relationship with our customer in the future. If it scales back or terminates its business relationship with us, or if we are unable to continue to negotiate favorable contractual terms with them, our short-term sales will be affected before finding alternative logistic provider/distributor in the

market. We also cannot guarantee that we may be able to secure collaboration with a new distributor or logistic partner in a timely manner, on favorable or comparable terms, or at all. If this occurs, our business, financial conditions, results of operations and prospects could be materially and adversely affected.

Our ability to maintain and grow our sales depends on our ability to manage, expand and optimize distribution network that ensures timely delivery of our products across China and in jurisdictions where we intend to operate. However, we may not be able to establish business relationships with new distributors to support the continued growth of our business. In the event that our distributor terminates its relationship with us and we are unable to find a capable and cost-effective alternative, our business, results of operations and financial conditions could be materially and adversely affected. Even if we successfully expand our distribution network, we cannot assure you that our distributors and sub-distributors (if any) will at all times comply with our sales policies. If they fail to distribute our products to their customers in a timely manner, overstock, or carry out actions which are inconsistent with our business strategy, it may affect our future sales. Any such deviation from our sales policies and development strategies may materially and adversely affect our business, financial conditions, results of operations and prospects.

We will mitigate the occurrence of channel stuffing, cannibalization and competition within our distribution network through various measures as we expand our distribution network. However, we cannot assure you that the measures would be effective in preventing channel stuffing, cannibalization and competition within our distribution network. The failure in avoiding such occurrences may adversely affect our financial conditions and results of operation.

Negative publicity or the failure to maintain and enhance our recognition and reputation may materially and adversely affect our business and growth prospects.

Our brand is important to attracting and retaining partners and our success depends on our ability to maintain and enhance our brand image and reputation. Maintaining, promoting and growing our brands depend largely on the success of our ability to provide consistent, high-quality services, our marketing efforts and our ability to successfully secure, maintain, and defend our rights to use our brands and trade names. Our brand could be harmed if we fail to achieve these objectives.

Our brand value also depends on our ability to maintain a positive perception of our corporate integrity, purpose and brand culture. Any negative publicity concerning us, our management, employees, affiliates and partners, even if untrue, could adversely affect our reputation and business prospects. There can be no assurance that negative publicity about us or any of our management, employees or affiliates and partners would not damage our brand image or have a material adverse effect on our business, results of operations and financial condition.

We, our Directors and management may be involved in claims, disputes, litigation, arbitration or other legal proceedings in the ordinary course of business, which would be costly and time-consuming to defend.

We, our Directors and management may from time to time become party to litigation, legal disputes, claims or administrative proceedings arising in the ordinary course of our business. These may concern issues relating to, among others, product liability, environmental matters, breach of contract, employment or labor disputes and intellectual property rights. For example, we may be sued if our product candidates cause or are perceived to cause injury, significant AEs, or are found to be otherwise unsuitable during clinical testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the drug, negligence, strict liability or a breach of warranties.

Involvement in litigation, legal disputes, claims or administrative proceedings may distract our Directors' or management's attention, time and other resources. Furthermore, any litigation, legal disputes, claims or administrative proceedings which are initially not of material importance may escalate due to the various factors involved, such as the facts and circumstances of the cases, the likelihood of winning or losing, the monetary amount at stake and the parties concerned, and such factors may result in these cases becoming of material importance to us. If we cannot react quickly and successfully defend ourselves against the claims, we may incur substantial liabilities or be required to limit commercialization of our product and product candidates.

If our principal investigators, distributor, CROs or other business partners fail to comply with environmental, health and safety laws and regulations, we could be subject to fines or penalties and other negative consequences that could have a material and adverse effect on our business.

We and our business partners are subject to numerous environmental, health and safety laws and regulations, including but not limited to the treatment and discharge of pollutants into the environment and the use of toxic and hazardous chemicals in the process of our business operations. Manufacturing facilities can only continue to operate after the relevant administrative authorities in charge of environmental protection and health and safety have approved, reexamined and renewed licenses and permits for our relevant facilities. As requirements imposed by laws and regulations may change and become more stringent, we or our business partners may not be able to adapt to, comply with, or accurately predict any potential substantial cost of complying with these laws and regulations. Failure to comply with such regulations may subject us to rectification orders, substantial fines, potentially significant monetary damages, or production suspensions. As a result, any failure by us to control the use or discharge of hazardous substances could have a material and adverse impact on our business, financial conditions, results of operations and prospects.

We have limited insurance coverage, and any claims beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources.

We maintain insurance policies that are required under applicable laws and regulations as well as based on our assessment of our operational needs and industry practice. We also maintain product liability insurance covering our clinical trials. Our insurance coverage may be insufficient to cover any claim for product liability, damage to our fixed assets or employee injuries. Any uninsured risks may result in substantial costs and the diversion of resources, which could adversely affect our business, financial condition, and results of operations.

We are subject to risks associated with our leased properties.

As of the Latest Practicable Date, our interests in two leased properties may be defective, as the ownership certificates or other similar proof of certain leased properties have not been provided to us by the relevant lessors. Therefore, we cannot assure you that such lessors are entitled to lease the relevant real properties to us or that the ownership nature of these properties is suitable for leasing purposes. If the lessors are not entitled to lease the real properties to us and the owners of such real properties decline to ratify the lease agreements between us and the respective lessors, or if any third party or governmental authorities challenge our right to use such properties, we may not be able to enforce our rights to lease such properties under the respective lease agreements against the owners and be forced to vacate the relevant properties and seek alternative properties.

As of the Latest Practicable Date, we were not aware of any claim or challenge brought by any governmental authorities or third parties concerning the use of our leased properties. Although we, as the lessee, will not be penalized or subject to indemnity claims for defects in the nature or ownership of leased properties, we could be required to vacate the properties, in the event of which we could only initiate the claim against the lessors under relevant lease agreements for indemnities for their breach of the relevant leasing agreements. We cannot assure you that we will receive sufficient indemnity to cover all of our losses, or readily find suitable alternative locations available on commercially reasonable terms, or at all, and if we are unable to relocate our operations in a timely manner, our operations may be interrupted.

Pursuant to applicable PRC laws and regulations, all lease agreements are required to be registered with the local land and real estate administration bureau. As of the Latest Practicable Date, six lease agreements were not registered and filed with the relevant land and real estate administration bureaus in the PRC. While non-registration does not void the leases, failure to cure within the prescribed deadline after official notice may result in a penalty of RMB1,000-RMB10,000 per lease. The occurrence of the foregoing could have an adverse effect on our results of operations and financial conditions. In the event that any fine is imposed on us for our failure to register our lease agreements, we may not be able to recover such losses from the lessors. As of the Latest Practicable Date, we were not aware of any notice or allegation of penalty from PRC government authorities for our failure on the registration of lease agreements.

Our information technology systems, or those used by our business partners, may fail or suffer security breaches, data losses or other unauthorized or improper access, which could significantly disrupt our ordinary business activities, compromise sensitive information related to our business or subject us to costly and protracted litigation, which may cause significant reputational harm and impact our ability to operate our business effectively.

We make use of information technology systems to obtain, process, analyze and manage data. Despite the implementation of security measures, our information technology systems and those of our CROs, CMOs, CDMOs, consultants and other service providers may be vulnerable to damage from computer viruses, unauthorized access, cyber-attacks, natural disasters, terrorism, war and telecommunication and electrical failures. Any system damage or failure that interrupts data input, retrieval or transmission or increases service time could disrupt our normal operations. To the extent that any disruption or security breach were to result in a loss of or damage to data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability and the further development of our product candidates could be delayed.

There can be no assurance that we will be able to effectively handle any failure of our information systems, or that we will be able to restore our operational capacity in a timely and effective manner to avoid disrupting our business. The occurrence of any of these events could adversely affect our ability to effectively manage our business operations. In addition, if the capacity of our information systems fails to meet the increasing needs of our expanding operations, our ability to expand may be constrained.

We may be subject to natural disasters, health epidemics, acts of war, terrorism, civil and social disruptions and other force majeure events, which may have a material and adverse effect on our business.

Natural disasters, health 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 in which we conduct our business. Our operations may be under the threat of natural disasters, such as floods, earthquakes, storms, fire or drought, the outbreak of a widespread health epidemic, such as swine flu, SARS, Ebola, Zika and COVID-19, other factors beyond our control, such as power, water or fuel shortages, failures, malfunction and other unexpected maintenance or technical problems, or are susceptible to potential wars or terrorist attacks. Any of the foregoing events and other events beyond our control could have an adverse effect on the overall business sentiment and environment, cause uncertainties in the regions where we conduct business, cause our business to suffer in ways that we cannot predict and materially and adversely impact our business, financial conditions and results of operations.

Increased labor costs could slow our growth and adversely affect our operations.

Our operations depend in part on the skills and know-how of our employees. In recent years, the average labor cost in the global pharmaceutical market, particularly for highly skilled and experienced personnel, has been steadily increasing as the competition for the same pool of qualified employees has become more intense. We face intense competition in recruiting and retaining qualified personnel and our remuneration packages may not be as competitive as those of our competitors. We cannot assure you that there will be no further increase in labor cost, which may adversely affect our operations and financial conditions.

RISKS RELATING TO DOING BUSINESS IN JURISDICTIONS WHERE WE OPERATE

We are subject to changes in government regulations or in practices relating to the biopharmaceutical industry, which may increase compliance costs, risk of non-compliance, and adversely affect our business.

The biopharmaceutical industry in China, the U.S. and other markets in which we intend to enter is heavily regulated. Recently enacted and future legislation may increase the difficulty and cost for us to obtain regulatory approval of our product candidates, restrict or regulate post-approval activities and affect our ability to profitably sell our product and any product candidates for which we obtain regulatory approval. For example, in China, there have been and will likely continue to be efforts to enact administrative or legislative changes, including measures which may result in more rigorous coverage criteria and downward pricing pressure.

We may be exposed to risks of conducting our business and operations in international markets, including risks relating to political and economic instability and changes in diplomatic and trade relationships, which may materially and adversely affect our business and results of operations.

We are susceptible to constantly changing international economic, regulatory, social and political conditions, and local conditions in foreign countries and regions. Tensions and political concerns between China and other countries or regions may adversely affect our business, financial conditions, results of operations, cash flows and prospects. China's political relationships with foreign countries and regions may affect the prospects of our relationship with third parties, such as business partners, suppliers and future customers. Changes to trade policies, treaties and tariffs, or the perception that these changes could occur, could adversely affect the financial and economic conditions in the jurisdictions in which we operate. There can be no assurance that our existing or potential service providers or other business partners will not alter their perception of us or their preferences as a result of adverse changes to the state of political relationships between China and the relevant foreign countries or regions. Any tensions and political concerns between China and the relevant foreign countries or regions may cause a decline in the demand for our future products and adversely affect our business, financial conditions, results of operations, cash flows and prospects. Rising trade and political tensions could reduce levels of trades, investments, technological exchanges and other economic activities between China and other countries and regions, which would have an adverse effect on global economic conditions, the stability of global financial markets, and international trade policies.

In February 2024, the U.S. lawmakers called for investigations into and the imposition of possible economic sanctions against certain Chinese biopharmaceutical companies over alleged ties to the Chinese military. The BIOSECURE Act, first introduced in the U.S. Senate in late 2023 and the U.S. House of Representatives in early 2024 and amended on October 9, 2025, would prohibit the U.S. government from procuring biotechnology equipment or services from designated biotechnology companies of concern ("**BCOC**"), and would prohibit government contracts, loans and grants to any entity that uses biotechnology equipment or services from a designated BCOC. The latest amendment defines BCOC as including those that are an extension of the Chinese military as well as firms that answer to a "foreign adversary" or otherwise pose a national security risk to the U.S. We are of the view that the BIOSECURE Act, if enacted in its current form, would not have a material and adverse impact on our business, primarily because, to our best knowledge, we are not a recipient of any U.S. federal government contracts, loans, grants or funding and do not anticipate applying for such contracts, loans, grants or funding in the future. Furthermore, to our best knowledge, none of our licensing partners in existence are using any services provided by us under the respective licensing arrangements in connection with any federal contracts, loans, grants or funding. However, future amendment to the BIOSECURE Act may revise and expand the name list of BCOC and we cannot guarantee that our business partners or their collaborators will not be named by the regulation. If any such things happen, our results of operations, financial conditions and business prospects may be materially and adversely affected.

In addition, over the years, the U.S. government has imposed rounds of tariffs on imports from China and other countries. Recently, in September 2025, the U.S. President Trump announced that the U.S. would impose a 100% tariff on imports of branded or patented pharmaceutical products from October 1, 2025, unless a pharmaceutical company is building a manufacturing plant in the U.S. On October 1, 2025, the Trump administration announced the 100% tariff had not gone into effect and that the administration had begun preparing tariffs on manufacturers that do not build in the U.S. or enter into a most-favored-nation drug pricing agreement with the Trump administration, casting uncertainty over the future of the proposed 100% pharmaceutical tariffs. Meanwhile, China has implemented measures in response to the heightened tariffs against Chinese products initiated by the U.S. government. It is unknown whether and to what extent new tariffs, export controls, or other new laws or regulations will be adopted, or the effect that any such actions would have on us or our industry.

During the Track Record Period, we have initiated clinical trials in the U.S. Although most of the items imported by our suppliers and CDMOs are available in general markets, if the U.S. were to further increase the tariff on any of the abovementioned items imported from China or other countries, we might not be able to find substitutes with the same quality and price in China or from other countries. Our business is therefore subject to constantly changing international economic, regulatory, social and political conditions, and local conditions in those foreign countries and regions. As a result, China's political relationships with those foreign countries and regions may affect the prospects of conducting clinical trials in such countries and regions.

There can be no assurance that our clinical trials will be carried out smoothly as a result of adverse changes to the state of political relationships between China and the relevant foreign countries or regions. Any tensions and political concerns between China and the relevant foreign countries or regions may adversely affect our business, financial conditions, results of operations, cash flows and prospects. It also remains unclear what actions, if any, the U.S. government will take with respect to other existing international trade agreements. If the U.S. were to withdraw from or materially modify certain international trade agreements to which it is a party, especially with respect to intellectual property transfer, our business, financial conditions and results of operations could be negatively impacted.

We may be subject to the approval, filing or other requirements of the CSRC or other PRC governmental authorities in connection with future capital raising activities, including this [REDACTED], and, if required, we cannot predict whether we will be able to obtain such approval or complete such filing.

Pursuant to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) and certain supporting guidelines (together, "**Trial Measures**"), domestic companies that seek to [**REDACTED**] should fulfill the filing procedure and report relevant information to the CSRC. The filing is required to be conducted within three business days after the submission of the [**REDACTED**] for [**REDACTED**] and [**REDACTED**] overseas to the overseas regulators. The CSRC will review the filing [**REDACTED**] and may have queries and may consult with other relevant regulators. Further follow-up [**REDACTED**] after overseas [**REDACTED**] also require a filing or a report submitted to the CSRC in accordance with the Trial Measures, and the [**REDACTED**] companies will need to report to the CSRC upon the occurrence and public disclosure of certain significant matters. If a domestic company fails to complete the filing procedure or conceals any material fact or falsifies any major content in its filing documents, such domestic company may be subject to administrative penalties, such as orders to rectify, warnings, fines, and its controlling shareholders, actual controllers, the person directly in charge and other directly liable persons may also be subject to administrative penalties, such as warnings and fines.

Our PRC Legal Adviser is of the view that this [**REDACTED**] shall be deemed as a direct overseas [**REDACTED**] by PRC domestic enterprise, and we are required to submit filings with the CSRC within three business days after we submit filings to the Hong Kong Stock Exchange for this [**REDACTED**]. We cannot assure you that we could meet such requirements or complete such filing in accordance with the Trial Measures in a timely manner. Any failure may restrict our ability to complete the [**REDACTED**] or any future equity capital-raising activities.

Existing or future laws and regulations related to privacy, data protection and information security are subject to rapid and evolving changes, imposing significant compliance requirements on us. Compliance with such laws may require significant resources and increase the costs of our products, which may negatively affect our operating results and business.

We are subject to privacy, data protection and information security laws and regulations that apply to the collection, transmission, storage and use of personal information, which among other things, impose certain requirements relating to the privacy, security and transmission of personal information. Failure to comply with any of these laws and regulations could result in enforcement actions, fines, imprisonment of company officials and public censure, claims for damages by affected individuals, damage to reputation and loss of goodwill, any of which could have a material and adverse effect on our business, financial conditions, results of operations or prospects. However, our ongoing efforts to comply with evolving laws and regulations may be costly and require ongoing modifications to our policies and procedures.

Pursuant to Article 2 of the Measures for Cybersecurity Review (《網絡安全審查辦法》) (the "**MCR**"), if a critical information infrastructure operator purchases network products and services or a network platform operator conducts any data processing activity that affects or may affect national security, a cybersecurity review shall be carried out according to the MCR. In accordance with Article 7 of the MCR, a network platform operator possessing personal information of more than one million users must apply to the Cybersecurity Review Office for cybersecurity review when [**REDACTED**] abroad.

As of the Latest Practicable Date, (i) we had not been notified of the results of any determination that we have been identified as a critical information infrastructure operator by the relevant governmental authorities; (ii) we did not hold the personal information of more than 1 million users; (iii) we had not received any notification of cybersecurity review from the relevant governmental authorities, nor had we been involved in any investigations on cybersecurity review initiated by CAC or received any inquiry, notice, warning, or sanctions in such respect; and (iv) the [**REDACTED**] is a [**REDACTED**] in Hong Kong, rather than a [**REDACTED**] abroad. Therefore, as advised by our PRC Legal Adviser, taking into consideration the above and provided that there is no material change to our current business and no further rules are introduced and no significant changes to the MCR is made by the relevant governmental authorities, our Directors believe we are not required to voluntarily apply for a cybersecurity review under the MCR as of the Latest Practicable Date.

However, the MCR was released recently, and relevant government authorities may issue additional regulations. If we are deemed having conducted any data processing activity that "affects or may affect national security" by the relevant regulatory authorities, we may be subject to cybersecurity review under the MCR. We may fail to pass such cybersecurity review, in which case our [**REDACTED**] may be impeded, our business operations may be adversely affected, and/or we may be subject to other penalties and/or actions by the competent governmental authorities.

The Data Security Law of the PRC (《中華人民共和國數據安全法》), stipulates data security obligations on entities and individuals carrying out data processing activities, introduces a data classification and hierarchical protection system based on the importance of data in economic and social development, and the degree of harm it will cause to national security, public interests or legitimate rights and interests of individuals or organizations when such data are tampered with, destroyed, leaked, or illegally acquired or used, and provides for a national security review procedure for those data processing activities which may affect national security as well as regulates

the export of certain data and information. The Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》), clarifies the scope of application, the definition of personal information and sensitive personal information, the legal basis of personal information processing and the basic requirements of notice.

According to the Regulation on Network Data Security Management (《網絡數據安全管理條例》) promulgated by the State Council, if the activities of cyber data processors affect or may affect national security, a national security review is required. If it is necessary to provide important data collected or generated domestically to entities abroad, it shall be subject to the security assessment of outbound data transfer organized by the Cyberspace Administration of PRC.

The Measures for the Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》) require that the data processors providing data overseas and falling under any of the circumstances provided in Article 4 of the Measures for the Security Assessment of Cross-border Data Transfer shall apply for the security assessment of cross-border data transfer. In addition, the Measures for the Administration of Standard Contractual Clauses for the Cross-Border Transfer of Personal Information (《個人信息出境標準合同辦法》), attach the prescribed template for the standard contract on the cross-border transfer of personal information that could be used as an available option to satisfy the condition for cross-border transfer of personal information under Article 38 of the Personal Information Protection Law. According to the Provisions on Facilitating and Regulating Cross-border Data Flow (《促進和規範數據跨境流動規定》), where a data processor transfers any data overseas and falls under any of the following circumstances, it shall apply to the CAC for security assessment: (i) where a critical information infrastructure operator provides personal information or important data overseas; or (ii) where a data processor other than critical information infrastructure operator transfers overseas the personal information of more than one million individuals (excluding sensitive personal information) or the sensitive personal information of more than 10,000 individuals on a cumulative basis starting from January 1 of the said year. As of the Latest Practicable Date, as our business operations had not fallen under any of the above-mentioned circumstances, our Directors believe that the security assessment of cross-border data transfer under the Measures for the Security Assessment of Cross-border Data Transfer shall not be applicable to us currently.

Up to the Latest Practicable Date, we were not subject to any material claims, lawsuits, penalties or administrative actions in accordance with applicable PRC laws and regulations with respect to data privacy and protection. As confirmed by our PRC Legal Adviser, up to the Latest Practicable Date, we had complied with laws and regulations related to cybersecurity, personal information, data protection and cross-border data transfer in all material aspects.

Laws in all 50 U.S. states require businesses to provide notice under certain circumstances generally to governmental authorities and affected individuals in connection with certain breaches of personal information, and, in the future, we may be required to notify applicable governmental authorities and affected individuals in the event of a data breach or other data security incident. In addition to data breach notification laws, some states have enacted statutes and rules requiring businesses to reasonably protect certain types of personal information they hold or to otherwise comply with certain specified data security requirements for personal information. Other states also have enacted laws and regulations relating to privacy, information security and comprehensive privacy laws. The laws are not consistent, as certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to sensitive and personal information than federal, international, or other state laws, and such laws may differ from each other, which may complicate compliance efforts. These laws may apply directly to our business or indirectly by contract when we enter into collaboration arrangements with other companies. If we become subject to these new or additional privacy laws, the risk of enforcement actions against us could increase.

We may be restricted from using human genetic resources collected in China.

According to the Administration of Human Genetic Resources (《人類遺傳資源管理條例》) and the PRC Biosecurity Law (《中華人民共和國生物安全法》), if any scientific data falls within the scope of Chinese human genetic resources, any transfer of such data outside of China will be subject to the prior approval of the PRC National Health Commission. There can be no assurance that we will be able to obtain such approval in a timely manner, or at all.

We may be directly or indirectly subject to applicable anti-bribery, anti-kickback, false claims, physician payment transparency, fraud and abuse laws or similar healthcare and security laws and regulations, which could expose us to civil penalties, contractual damages, reputational harm, and criminal sanctions, which may lead to diminished profits and future earnings.

Healthcare providers, including physicians and others, play a primary role in the recommendation and prescription of products for which we may seek regulatory approval. As we currently have one commercialized product in China and expect to pursue additional marketing approvals in China and the U.S., our operations have been subject to various PRC fraud and abuse laws, including the PRC Anti-Unfair Competition Law (《中華人民共和國反不正當競爭法》) and the PRC Criminal Law (《中華人民共和國刑法》), and after receiving marketing approvals from the FDA, our operations will be subject to federal and state fraud and abuse laws in the U.S., including the federal Anti-Kickback Statute and the False Claims Act, as well as physician payment transparency laws and regulations, including the Federal Physician Payment Act, among others.

Furthermore, we are subject to anti-bribery laws in China that generally prohibit companies and their intermediaries from making payments to government officials for the purpose of obtaining or retaining business or securing other improper advantages. In addition, although currently our business operations are primarily in China, we are subject to the Foreign Corrupt Practices Act (FCPA) of the United States, which generally prohibits us from making improper payments to non-U.S. officials for the purpose of obtaining or retaining business.

Efforts to ensure that our business arrangements with third parties are in compliance with applicable healthcare laws and regulations will involve substantial costs. Regulatory authorities could conclude that our business practices may not comply with current or future fraud, abuse or other healthcare laws or regulations. If any such actions are instituted against us, and if we are not successful in defending ourselves or asserting our rights, those actions could result in the imposition of civil, criminal and administrative penalties, damages, disgorgement, monetary fines, possible exclusion from participation in governmental healthcare programs, contractual damages, reputational damage, diminished profits and future earnings, and curtailment of our operations, any of which could adversely affect our ability to operate our business and have a material and adverse effect on our business, financial conditions, results of operations and prospects.

If any of the physicians or other providers or entities with whom we expect to do business is found to be not in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government-funded healthcare programs, which may also adversely affect our business.

You may experience difficulties in effecting service of legal process, enforcing foreign judgments, or bringing original actions based on foreign laws against us and our management in the PRC.

A significant portion of our assets and the majority of our Directors and senior management are located in the PRC. As a result, it may not be possible to effect service of process within certain jurisdictions outside the PRC upon us or most of our Directors and senior management. Pursuant to Arrangements for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases between Courts of the Chinese Mainland 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's Court, a party with an enforceable final court judgment rendered by the competent People's Court of the PRC or the High Court of Hong

Kong with respect to any civil and commercial cases excluding certain types of cases may apply for recognition and enforcement of the judgment in the relevant Intermediate People's Court of the PRC or the High Court of Hong Kong. We cannot assure you that an effective judgment that complies with the New Arrangement can be recognized and enforced in a PRC court.

Required procedures on the remittance of Renminbi into and out of the PRC may affect our ability to pay dividends and other obligations and affect the value of your [REDACTED].

Procedures on the remittance of Renminbi into and out of the PRC are required under the relevant PRC laws and regulations. A substantial majority of our future revenue is expected to be denominated in Renminbi and we will need to convert Renminbi into foreign currencies for the payment of dividends, if any, to holders of our H Shares. Shortages in the availability of foreign currency may affect our ability to remit sufficient foreign currency to pay dividends or other payments, or otherwise satisfy our foreign currency denominated obligations.

Under the relevant PRC laws and regulations, foreign exchange transactions under the current account conducted by us do not require advance approval from China's State Administration of Foreign Exchange ("**SAFE**"), but we are required to present relevant documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange business. Approval from appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies.

Holders of H Shares may be subject to PRC income taxes.

Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate for the income derived in China under the PRC Individual Income Tax Law (the "**IIT Law**") and its implementation guidelines. Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between China and the jurisdiction in which the foreign individual resides reduce or provide an exemption for the relevant tax obligations. However, pursuant to the Circular on Certain Policy Questions Concerning Individual Income Tax (《財政部、國家税務總局關於個人所得税若干政策問題的通知》) (Cai Shui Zi [1994] No. 020), the income gained by individual foreigners from dividends and bonuses of enterprises with foreign investment are exempted from individual income tax for the time being. As of the Latest Practicable Date, no aforesaid provisions had expressly provided that individual income tax shall be levied on non-PRC resident individual holders on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges, and to our knowledge, no such individual income tax was levied by PRC tax authorities in practice. However, there is no assurance that the PRC tax authorities will not change these practices which could result in levying income tax on non-PRC resident individual holders on gains from the sale of H Shares.

For non-PRC resident enterprises that do not have establishments or premises in China, and for those that have establishments or premises in China but whose income is not related to such establishments or premises, under the PRC Enterprise Income Tax Law and its implementation regulations, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of H Shares are subject to PRC enterprise income tax at a 10% rate. In accordance with the Circular on Issues Relating to Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《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》) (Guo Shui Han [2008] No. 897), the withholding tax rate for dividends payable to non-PRC resident enterprise holders of H Shares will be 10% and we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including [**REDACTED**]). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement 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 the payment of such refund will be subject to the PRC tax authorities' approval.

Despite the arrangements mentioned above, the interpretation and application of applicable PRC tax laws and regulations by the competent tax authorities shall be in accordance with the then effective laws and regulations, and new taxes may be imposed which may materially and adversely affect the value of your [**REDACTED**] in our H Shares.

Payment of dividends is subject to restrictions under PRC law and regulations.

Under PRC law and the constitutional documents of our Company and our PRC operating subsidiaries, dividends may be paid only out of distributable profits, which refer to after-tax profits as determined under PRC GAAP less any recovery of accumulated losses and required allocations to statutory capital reserve funds. As a result, our Company and our PRC operating subsidiaries may not be able to pay a dividend in a given year if our Company or our PRC operating subsidiaries do not have distributable profits as determined under PRC GAAP even if they have profits as determined under IFRS. During the Track Record Period, no dividend had been paid or declared by us. As of the Latest Practicable Date, we did not have a formal dividend policy. We currently intend to retain all available funds and earnings and not to declare or pay any dividends in the foreseeable future. See "Financial Information — Dividend" for further details.

There can be no assurance that future dividends will be declared or paid. The declaration, payment and amount of any future dividends are subject to the discretion of our Directors, after taking into account our results of operations, financial conditions, cash requirements and availability and other factors as they may deem relevant, and subject to the approval at Shareholders' meeting. We may not have sufficient or any profits to enable us to make dividend distributions to our Shareholders in the future, even if our financial statements indicate that our operations have been profitable.

We are subject to risks in relation to our social insurance and housing provident fund contributions.

Pursuant to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) and the Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》), we are required to make contributions to the social insurance plans and the housing provident fund under the relevant PRC laws and regulations for our employees.

During the Track Record Period and as of the Latest Practicable Date, we have made proper payment of social insurance premium and housing provident funds for substantially all of our employees. We engaged a third-party human resource agent to pay social insurance premium and housing provident funds for certain employees on behalf of us in locations where we do not have substantial presence in accordance with customary industry practice. We might also be subject to additional contribution, late payment fee and/or penalties imposed by relevant authorities if the third-party human resource agency failed to pay the social insurance or housing provident funds for the relevant employees in full amount and/or in a timely manner, or if the validity of such arrangements are challenged by relevant authorities. We might also be subject to potential labor disputes arising from such arrangements with the relevant employees. In addition, certain of our foreign employee voluntarily waived our contributions to social insurance and housing provident funds on behalf of such employee and signed a waiver form. Such form may be deemed invalid by the court if such employee files a lawsuit against us in the court alleging our failure to pay social insurance premiums. For details relating to the legal basis for such lawsuit, see "Regulatory Overview — Regulations on Labor Protection — Social Insurance and Housing Provident Funds."

As of the Latest Practicable Date, we had, and the third-party human resource agent confirmed they had made full and timely contributions for substantially all employees. As of the Latest Practicable Date, there had been no disputes between us/the third-party human resource agent and employees with regard to such arrangement, and we had not received any notice of rectification from, or been imposed any administrative penalty by, the relevant governmental authorities as a result of such arrangement. As of the Latest Practicable Date, there had been no dispute between us and any employee for the voluntary waiver of the contribution of social insurance and housing provident funds. As advised by our PRC Legal Adviser, the risks that we are required by the relevant authorities to make additional payment of social insurance and housing provident funds and be subject to administrative penalties during the Track Record Period are remote.

RISKS RELATING TO THE [REDACTED]

There has been no [REDACTED] for our H Shares, and an active [REDACTED] market for our H Shares may not develop or be sustained.

Prior to the [**REDACTED**], there was no [**REDACTED**] for our H Shares. We cannot assure you that a [**REDACTED**] for our H Shares with adequate liquidity will develop and be sustained following the completion of the [**REDACTED**]. The initial [**REDACTED**] for our H Shares to the [**REDACTED**] will be the result of negotiations between us and the [**REDACTED**] (for themselves and on behalf of the [**REDACTED**]), and the [**REDACTED**] may differ significantly from the [**REDACTED**] of the H Shares following the [**REDACTED**].

We have applied to the Hong Kong Stock Exchange for the [**REDACTED**] of, and permission to [**REDACTED**] in, the H Shares (including any H Shares which may be [**REDACTED**] pursuant to the exercise of the [**REDACTED**]). A [**REDACTED**] on the Hong Kong Stock Exchange, however, does not guarantee that an active and liquid [**REDACTED**] market for the H Shares will develop, or if it does develop, that it will be sustained following the [**REDACTED**], or that the [**REDACTED**] of the H Shares will not decline following the [**REDACTED**]. If an active [**REDACTED**] for our H Shares does not develop following the completion of the [**REDACTED**], the [**REDACTED**] and liquidity of our H Shares could be materially and adversely affected.

The [REDACTED] and [REDACTED] volume of our H Shares may be volatile, which could lead to substantial losses to [REDACTED].

The [**REDACTED**] and [**REDACTED**] volume of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. In particular, the business, performance and the [**REDACTED**] of the shares of other companies engaging in similar business may affect the [**REDACTED**] and [**REDACTED**] volume of our H Shares. In addition to market and industry factors, the [**REDACTED**] and [**REDACTED**] volume of our H Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, regulatory developments, relationships with our suppliers, movements or activities of key personnel, or actions taken by competitors. Moreover, shares of other companies [**REDACTED**] on the Hong Kong Stock Exchange with significant operations and assets in China have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in [**REDACTED**] not directly related to our performance but related to the overall political and economic conditions in Hong Kong, Chinese Mainland or elsewhere in the world.

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

Immediately upon the completion of the [**REDACTED**], without taking into account any H Shares which may be issued pursuant to the exercise of the [**REDACTED**], our Single Largest Shareholders Group will collectively control approximately [**REDACTED**]% of the voting power at our general meetings. Our Single Largest Shareholders Group will thus have significant influence over our business and affairs, including decisions in respect of mergers or other business combinations, acquisition or disposition of assets, issuance of additional Shares or other equity securities, timing and amount of dividend payments, and our management. This concentration of ownership may discourage, delay or prevent a change in the control of our Company, which could deprive other Shareholders of an opportunity to receive a premium for their H Shares as part of a sale of shares 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 interests of our Single Largest Shareholders Group may differ from the interests of our other Shareholders. We cannot assure you that our Single Largest Shareholders Group will not exercise their substantial 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.

Future sales or perceived sales of significant number of our H Shares in the [REDACTED] following the [REDACTED] could materially and adversely affect the [REDACTED] of our H Shares.

The [**REDACTED**] of our H Shares could decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the [**REDACTED**], or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or anticipated sales, of substantial amounts of our securities, including any future [**REDACTED**], could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares.

In addition, while [**REDACTED**] subscribing shares in the [**REDACTED**] are not subject to any restrictions on the disposal of the H Shares they subscribed (except otherwise disclosed in this Document), they may have existing arrangements or agreement to dispose part or all of the H Shares they hold immediately or within certain period upon completion of the [**REDACTED**] for legal and regulatory, business and market, or other reasons. Such disposal may occur within a short period or any time or period after the [**REDACTED**].

Any sale of the H Shares subscribed by such [**REDACTED**] pursuant to such arrangement or agreement could adversely affect the [**REDACTED**] of our H Shares and any sizeable sale could have a material and adverse effect on the [**REDACTED**] of our H Shares and could cause substantial volatility in the [**REDACTED**] volume of our H Shares.

Raising additional capital or entering into certain other arrangements may cause dilution to our Shareholders, restrict our operations or require us to relinquish rights to our technologies or product candidates.

The [**REDACTED**] of the H Shares is higher than the net tangible asset value per H Share immediately prior to the [**REDACTED**]. Therefore, purchasers of the H Shares in the [**REDACTED**] will experience an immediate dilution. In order to expand our business, we may consider [**REDACTED**] and issuing additional Shares in the future. Purchasers of the H Shares may experience dilution if we issue additional Shares in the future at a price which is lower than the net tangible asset value per Share at that time. Furthermore, we may issue Shares through share incentive scheme and employee shareholding scheme, which would further dilute Shareholders' interests in our Company.

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

We intend to retain most, if not all, of our available funds and any future earnings after the [**REDACTED**] to fund the development and commercialization of our product candidates. As a result, we do not expect to pay any cash dividends in the foreseeable future. Therefore, you should not rely on an [**REDACTED**] in our H Shares as a source for any future dividend income.

Our Board has complete discretion as to whether to distribute dividends. Even if our Board declares and pays dividends, the timing, amount and form of future dividends, if any, will depend on our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions (if any) received by us from our subsidiary, our financial conditions, contractual restrictions and other factors deemed relevant by our Board. For details, see "Financial Information — Dividend." Accordingly, the return on your [**REDACTED**] in our H Shares will likely depend entirely upon any future [**REDACTED**] appreciation of our H Shares. There is no guarantee that our H Shares will appreciate in value after the [**REDACTED**] or even maintain the [**REDACTED**] at which you purchased the Shares. You may not realize a return on your [**REDACTED**] in our H Shares and you may even lose your entire [**REDACTED**] in our H Shares.

Certain facts, forecasts and statistics in this Document relating to the industry we compete in are derived from third-party reports or publicly available sources.

Certain statistics, information and data contained in this Document relating to China and elsewhere in the world, and the industry in which we operate have been derived from various official government publications or other third-party reports. In particular, we have extracted and disclosed in this Document certain statistics, information and data from publications and other publicly available sources relating to the products and product candidates of third parties, scientific research, theories and mechanisms. We have taken reasonable care in the reproduction or extraction of the official government publications for the purpose of disclosure in this Document. However, we cannot guarantee the quality or reliability of official government publications. They have not been prepared or independently verified by us, any of our Directors, the Joint Sponsors, the [**REDACTED**], the Overall Coordinators, [**REDACTED**] or any of their respective affiliates or advisers and, therefore, we make no representation as to the accuracy of such statistics, information and data from the official government publications, which may not be consistent with other information compiled within or outside the PRC. Due to possibly flawed or ineffective collection methods and analysis or discrepancies between the official government publications and market practice, such statistics, information and data in this Document may be inaccurate or may not be comparable to statistics, information and data produced with respect to other economies. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as the case may be in other jurisdictions. In all cases, [**REDACTED**] should give consideration as to how much weight or importance they should attach to or place on such facts.

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

Prior to the publication of this Document, there has been coverage in the media regarding us and the [**REDACTED**], which contained among other things, certain financial information, projections, valuations and other forward-looking information about us and the [**REDACTED**]. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for the accuracy or completeness of such media coverage or forward-looking statements. We make no representation as to the appropriateness, accuracy, completeness or reliability of any information disseminated in the media. We disclaim any responsibility for the accuracy or completeness of any information in the media to the extent that such information is inconsistent or conflicts with the information contained in this Document. Accordingly, prospective [**REDACTED**] are cautioned to make their [**REDACTED**] decisions on the basis of the information contained in this Document only and should not rely on any other information.

In preparation for the [**REDACTED**], our Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and exemptions from strict compliance with the Companies (Winding up and Miscellaneous Provisions) Ordinance.

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

According to Rule 8.12 of the Listing Rules, a new applicant for a primary listing on the Stock Exchange must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 of the Listing Rules may be waived by having regard to, among other considerations, our arrangements for maintaining regular communication with the Hong Kong Stock Exchange.

We do not have a sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 and Rule 19A.15 of the Listing Rules. Our management headquarters, senior management, business operations and assets are primarily based outside Hong Kong. The Directors consider that either by means of relocation of our existing executive Directors or appointment of additional executive Directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, our Group and therefore would not be in the best interests of our Company or the Shareholders as a whole. As such, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us a waiver from strict compliance with Rule 8.12 and Rule 19A.15 of the Listing Rules. We will ensure that there is a regular and effective communication between us and the Stock Exchange by way of, among others, the following conditions:

(a) pursuant to Rules 3.05 of the Listing Rules, we have appointed and will continue to maintain two authorized representatives, who will act as our principal channel of communication with the Stock Exchange and ensure that our Company complies with the Listing Rules at all times. The two authorized representatives appointed are Dr. Gavin Xia and Mr. Tse Yu Yeung (謝愉陽) (the "**Authorized Representatives**"). Mr. Tse is situated and based in Hong Kong, and will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange. Both of the Authorized Representatives will be readily contactable by telephone and email to deal promptly with enquiries from the Stock Exchange. Our Company has provided contact details of the two Authorized Representatives to the Stock Exchange and will inform the Stock Exchange promptly in respect of any change in the authorized representatives;

(b) both Authorized Representatives have means to contact all Directors (including the independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matters. Our Company has implemented a policy whereby (1) each Director has provided their respective valid phone numbers or other means of communication to the Authorized Representatives; (2) in the event that a Director expects to travel or is otherwise out of office, he/she will endeavor to provide his/her phone number of the place of his/her accommodation to the Authorized Representatives or maintain an open line of communication via his/her mobile phone; and (3) each Director has provided his/her mobile phone number, office phone number and e-mail address to the Stock Exchange and will inform the Stock Exchange promptly if there are any changes to the contact details of the Directors;

(c) pursuant to Rule 3.20 of the Listing Rules, each Director has provided his/her contact information to the Stock Exchange and to the Authorized Representatives. This will ensure that the Stock Exchange and the Authorized Representatives should have means for contacting all Directors promptly at all times as and when required;

(d) all our Directors who are not ordinarily resident in Hong Kong have confirmed that they possess or can apply for valid travel documents to visit Hong Kong and will be able to meet with relevant members of the Stock Exchange in Hong Kong upon reasonable notice, when required;

(e) pursuant to Rules 3A.19 of the Listing Rules, we have retained the services of Somerley Capital Limited as compliance adviser (the "**Compliance Adviser**") upon [**REDACTED**] for a period commencing on the [**REDACTED**] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [**REDACTED**], which will act as an additional channel of communication with the Stock Exchange and will be available to respond to enquiries from the Stock Exchange; The contact details of the Compliance Adviser has been provided to the Stock Exchange and the Company will inform the Stock Exchange promptly in respect of any change in the Compliance Adviser;

(f) our Authorized Representatives, Directors and other officers of our Company will provide promptly such information and assistance as the Compliance Adviser may reasonably require in connection with the performance of the Compliance Adviser's duties as set forth in Chapter 3A of the Listing Rules. There will be adequate and efficient means of communication between our Company, Authorized Representatives, Directors and other officers of our Company and the Compliance Adviser, and to the extent reasonably practicable and legally permissible, we will keep the Compliance Adviser informed of all communications and dealings between the Stock Exchange and us; meetings between the Stock Exchange and our Directors could be arranged through our Authorized Representatives or the Compliance Adviser, or directly with our Directors within a reasonable time frame. We will inform the Stock Exchange as soon as practicable in respect of any change of Authorized Representatives and/or the Compliance Adviser;

(g) we will appoint other professional advisers (including legal advisers in Hong Kong) after the [**REDACTED**] to assist us in dealing with any questions which may be raised by the Stock Exchange and to ensure that there will be prompt and effective communication with the Stock Exchange.

WAIVER IN RESPECT OF JOINT COMPANY SECRETARY

Pursuant to Rules 3.28 and 8.17 of the Listing Rules and Chapter 3.10 of the Guide for New Listing Applicants, a new applicant for listing on the Stock Exchange must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary.

Note 1 to Rule 3.28 of the Listing Rules provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable:

(a) a member of The Hong Kong Chartered Governance Institute;

(b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and

(c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Note 2 to Rule 3.28 of the Listing Rules further provides that the Stock Exchange considers the following factors in assessing the "relevant experience" of the individual:

(a) length of employment with the issuer and other issuers and the roles he/she played;

(b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;

(c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and

(d) professional qualifications in other jurisdictions.

Our Company has appointed Mr. Chen Nanyou ("**Mr. Chen**") and Mr. Tse Yu Yeung (謝愉陽) ("Mr. Tse") as our joint company secretary. See "Directors and Senior Management — Joint Company Secretaries" for their biographical details.

Mr. Chen serves as the head of investor relations of our Group and has extensive experience in capital markets affairs and investment matters. The Company believes that it would be in the best interests of the Company and the corporate governance of the Group to have as its joint company secretary a person such as Mr. Chen who is the head of investor relations and has day-to-day knowledge of the Company's affairs. Mr. Chen has the necessary nexus to the Board and close working relationship with management of the Company in order to perform the function of a joint company secretary and to take the necessary actions in the most effective and efficient manner. However, Mr. Chen presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we [have] appointed Mr. Tse, who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules, to act as the other joint company secretary and to provide assistance to Mr. Chen for an initial period of three years from the [**REDACTED**] to enable Mr. Chen to acquire the "relevant experience" under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Mr. Chen may be appointed as a joint company secretary of our Company.

The waiver is valid for an initial period of three years from the [**REDACTED**], and is granted on the condition that Mr. Tse, as a joint company secretary of our Company, will work closely with Mr. Chen to jointly discharge the duties and responsibilities as company secretaries and assist Mr. Chen in acquiring the relevant experience as required under Rules 3.28 and 8.17 of the Listing Rules. Mr. Tse will also assist Mr. Chen in organizing Board meetings and Shareholders' meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Mr. Tse is expected to work closely with Mr. Chen and will maintain regular contact with Mr. Chen, the Directors and the senior management of our Company. In addition, Mr. Chen will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance his knowledge of the Listing Rules during the three-year period from the [**REDACTED**]. Mr. Chen will also be assisted by (a) the Compliance Adviser, particularly in relation to compliance with the Listing Rules; and (b) the Hong Kong legal advisers of our Company, on matters concerning our Company's ongoing compliance with the Listing Rules and the applicable laws and regulations.

Pursuant to Chapter 3.10 of the Guide for New Listing Applicants, the waiver will be revoked immediately if Mr. Tse ceases to provide assistance to Mr. Chen as a joint company secretary for the three-year period after the [**REDACTED**] or where there are material breaches of the Listing Rules by our Company.

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

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

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

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

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

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

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

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

Accordingly, we have applied to the SFC for, and the SFC [has granted], a certificate of exemption from strict compliance with the requirements under section 342(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, on the conditions that the particulars of the exemption are set forth in this Document and this Document will be issued on or before [June 22, 2026], on the following grounds:

(a) our Company is a biopharmaceutical company with the broadest drug candidates in terms of renal indication coverage globally, according to CIC, and falls within the scope of biotech company as defined under Chapter 18A of the Listing Rules;

(b) the Accountant's Report for each of the financial years ended December 31, 2024 and 2025 has been prepared and is set out in Appendix I to this Document in accordance with Rule 18A.06 of the Listing Rules;

(c) notwithstanding that the financial results set out in this Document are only for the years ended December 31, 2024 and 2025 other information required to be disclosed under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance has been adequately disclosed in this Document pursuant to the relevant requirements;

(d) given that Chapter 18A of the Listing Rules provides that the minimum track record period for biotech companies in terms of financial disclosure is two years, strict compliance with the requirements of section 342(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance and paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance would be unnecessary for our Company; and

(e) our Directors are of the view that the Accountant's Report covering the years ended December 31, 2024 and 2025 included in this Document, together with other disclosure in this Document, have already provided the potential [**REDACTED**] with adequate and reasonably up-to-date information in the circumstances to form a view on the track record of our Company, and our Directors confirm that all information which is necessary for the [**REDACTED**] to make an informed assessment of our Group's business, assets and liabilities, financial position, trading position, management and prospects has been included in this Document. Therefore, the exemption would not prejudice the interest of the [**REDACTED**].

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Dr. Gavin Guoyao Xia	Room 302 No. 50, Lane 50 Guanglan Road Pudong New District Shanghai PRC	American
Jin Tian, M.D.	Room 11-301 Lane 3688 Kunyang Road Minhang District Shanghai PRC	American
Ms. Wang Yun (汪昀)	Room 901 No. 23, Lane 2885 Jinxiu Road Pudong New District Shanghai PRC	Chinese
Dr. Zhang Huading (張華丁)	Room 2101 No. 27, Lane 1399 Dingxiang Road Pudong New District Shanghai PRC	Chinese
Non-executive Director		
Dr. Lu An (魯安)	No. 64, Lane 107 Huanghe Road Huangpu District Shanghai PRC	Chinese
Independent non-executive Directors		
Dr. Xu Runhong (徐潤紅)	Room 602 No. 13, Lane 789 Lingling Road Shanghai PRC	Chinese
Dr. Zhui Chen	Room 1302 No. 3, Lane 39 Yinxiao Road Shanghai PRC	American
Mr. Leung Chi Wai (梁智維)	Flat LD 18/F, Tower 2 Lohas Park Road Tseung Kwan O Hong Kong	Chinese

See "Directors and Senior Management" for further details of our Directors.

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors, Sponsor-OCs, [REDACTED], Overall Coordinators, [REDACTED]	**Jefferies Hong Kong Limited** 26/F, Two International Finance Centre 8 Finance Street, Central Hong Kong **Merrill Lynch (Asia Pacific) Limited** 55/F, Cheung Kong Center 2 Queen's Road Central Central Hong Kong **Huatai Financial Holdings (Hong Kong) Limited** 62/F, The Center 99 Queen's Road Central Hong Kong
[REDACTED], Overall Coordinators, [REDACTED]	**CLSA Limited** 18/F, One Pacific Place 88 Queensway Hong Kong
Overall Coordinators, [REDACTED]	**BOCI Asia Limited** 26/F, Bank of China Tower 1 Garden Road, Central Hong Kong
Legal advisers to our Company	*As to Hong Kong and United States laws:* **Davis Polk & Wardwell** 10/F, The Hong Kong Club Building 3A Chater Road Central Hong Kong *As to PRC laws:* **Zhong Lun Law Firm** 22-24/F&27-31/F South Tower of CP Center 20 Jin He East Avenue Chaoyang District Beijing PRC
Legal advisers to the Joint Sponsors and the [REDACTED]	*As to Hong Kong and United States laws:* **Kirkland & Ellis** 26/F, Gloucester Tower The Landmark 15 Queen's Road Central Hong Kong *As to PRC laws:* **Commerce & Finance Law Offices** 12-15/F, China World Office 2 No. 1 Jianguomenwai Avenue Beijing PRC

Auditor and Reporting Accountants	**Ernst & Young** *Certified Public Accountants* *Registered Public Interest Entity Auditor* 27/F, One Taikoo Place 979 King's Road Quarry Bay Hong Kong
Industry Consultant	**China Insights Industry Consultancy Limited** 10F, Block B, Jing'an International Center 88 Puji Road Jing'an District Shanghai PRC
Compliance Adviser	**Somerley Capital Limited** 20/F, China Building 29 Queen's Road Central Hong Kong
Independent property valuer	**AVISTA Valuation Advisory Limited** Suites 2401-06, 24/F Everbright Centre 108 Gloucester Road Wan Chai Hong Kong

[**REDACTED**]

CORPORATE INFORMATION

Registered Office	Building 7 No. 7 Jinzhuang Road Gaoxin District, Hanjiang District Yangzhou City Jiangsu Province PRC
Headquarters and Principal Place of Business in the PRC	Building 7 No. 7 Jinzhuang Road Gaoxin District, Hanjiang District Yangzhou City Jiangsu Province PRC
Principal Place of Business in Hong Kong	46/F, Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong
Company's Website	***www.alebund.com*** (the information contained on this website does not form part of this Document)
Joint Company Secretaries	**Mr. Chen Nanyou (陳南佑)** Building 7 No. 7 Jinzhuang Road Gaoxin District, Hanjiang District Yangzhou City Jiangsu Province PRC **Mr. Tse Yu Yeung (謝愉陽)** *(an associate member of both HKCGI and CGI)* 46/F, Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong
Authorized Representatives	**Dr. Gavin Guoyao Xia** Building 7 No. 7 Jinzhuang Road Gaoxin District, Hanjiang District Yangzhou City Jiangsu Province PRC **Mr. Tse Yu Yeung (謝愉陽)** *(an associate member of both HKCGI and CGI)* 46/F, Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong

Audit Committee	Mr. Leung Chi Wai (梁智維) *(Chairperson)* Dr. Xu Runhong (徐潤紅) Dr. Zhui Chen
Remuneration and Appraisal Committee	Dr. Zhui Chen *(Chairperson)* Dr. Gavin Guoyao Xia Dr. Xu Runhong (徐潤紅)
Nomination Committee	Dr. Xu Runhong (徐潤紅) *(Chairperson)* Dr. Gavin Guoyao Xia Dr. Zhui Chen
Strategy Committee	Dr. Zhang Huading (張華丁) *(Chairperson)* Dr. Gavin Guoyao Xia Dr. Zhui Chen

[**REDACTED**]

Principal Banks

Bank of China Yangzhou Branch
No. 541
Wenchang Middle Road
Guangling District
Yangzhou, Jiangsu
PRC

Shanghai Pudong Development Bank Yangzhou Branch
No. 202
Wenchang West Road
Hanjiang District
Yangzhou, Jiangsu
PRC

China Merchants Bank Yangzhou Branch Business Department
No. 10
Wenchang West Road
Hanjiang District
Yangzhou, Jiangsu
PRC

Ping An Bank Shanghai Branch Business Department
No. 1333
Lujiazui Ring Road
Pudong New District, Shanghai
PRC

Certain information and statistics set out in this section have been extracted from various official government publications, available sources from public market data providers and an Independent Third-Party source, China Insights Industry Consultancy Limited. The report prepared by China Insights Industry Consultancy Limited and cited in this document was commissioned by us. We believe that the sources of this information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. Only information from official government sources has not been independently verified by us, the Joint Sponsors, the [**REDACTED**]*, the Overall Coordinators,* [**REDACTED**]*, any of the* [**REDACTED**]*, any of our or their respective directors, officers, employees, agents, or representatives of any of them or any other parties involved in the* [**REDACTED**]*, and no representation is given as to the accuracy, fairness and completeness of such information from official government sources. For discussion of the risks relating to our industry, see "Risk Factors" in this Document.*

OVERVIEW OF CHRONIC KIDNEY DISEASE AND THERAPEUTIC LANDSCAPES

Introduction to Chronic Kidney Disease ("CKD")

CKD refers to a variety of pathophysiologic conditions in which the kidney is damaged and loses its function, as represented by a persistent reduction in the glomerular filtration rate ("**GFR**"), an indicator showing how well kidneys remove waste and excess fluids from blood, over a period of 3 months. The kidney function in patients with CKD typically declines over time and may eventually progress to kidney failure. Depending on the status of kidney function as calculated from a blood test called eGFR, CKD can be classified from stage 1 to 5 (*i.e.*, G1 to G5), with G5 being end stage renal disease ("**ESRD**") which often require life-long dialysis or a kidney transplant. A vast majority of ESRD patients receive dialysis and become dialysis dependent.

Prevalence of CKD

CKD is the third most prevalent chronic diseases globally. The prevalence of CKD globally reached 802.2 million in 2025, and it is estimated to reach 943.9 million in 2035 corresponding to a CAGR of 1.7% from 2020 to 2025 and 1.6% from 2025 to 2035. China had 123.8 million patients in 2025, and it is estimated to reach 129.4 million in 2035, representing a CAGR of 0.4% from 2020 to 2025 and 0.4% from from 2025 to 2035. A detailed breakdown of CKD prevalence by disease stage is as follows.

CKD staging	Definition	GFR (mL/min/1.73m²)	Global % of total CKD prevalence	The US % of total CKD prevalence	China % of total CKD prevalence
G1~G2	• Mild kidney damage • Kidneys work well or function as normal	**>60**	47.7%	60.7%	48.1%
G3a	• Mild to severe kidney damage • Kidneys don't work as well	**45-59**	49.0%	36.4%	47.2%
G3b		**30-44**			
G4	• Severe kidney damage • Kidney close to loss of function	**15-29**	2.6%	2.1%	2.8%
G5	• Most severe kidney damage • Kidney close to loss of function or kidney failure	**<15**	0.7%	0.7%	1.9%

Source: KDIGO, KDOQI, Chinese Journal of Blood Purification, CIC

The global CKD market is expected to grow from US$244.0 billion in 2025 to US$503.9 billion in 2035. In 2025, among CKD drugs, the DKD market accounted for over 70% share, the hyperphosphatemia market accounted for 5% share, and the IgAN market accounted for 5% share.

Unaddressed Clinical Needs of CKD

Because CKD is often asymptomatic in its early stage, it frequently remains undiagnosed. Consequently, many patients are first diagnosed at relatively advanced stages after irreversible damage has occurred. Currently, kidney disease awareness remains low. Worldwide, only 6% of the general population and 10% of the high-risk population are aware of their CKD status.

Current medical interventions for CKD patients are primarily designed to help control different symptoms, reduce complications, and slow down progression of the disease. However, there is a lack of targeted therapeutics or disease-modifying drug for CKD, or effective treatment to halt the progression of CKD. 5%-10% of CKD patients progress to ESRD within five years regardless of the treatment they receive.

The current under-treatment of CKD is partly due to low patient adherence to treatments. Medications aimed at managing CKD symptoms and complications often cause undesired side effects, which can further burden the kidneys, liver, or cardiovascular system, and further limit available treatment options. Additionally, managing multiple CKD complications typically requires patients to take various types of medications, many of which involve high pill burden.

Conditions and Complications of CKD

The conditions of CKD can be divided into three types based on their pathological origins.

Primary kidney disease refers to a category of renal conditions originating directly within kidneys, independent of any systemic conditions. Examples include IgA nephropathy ("**IgAN**," a chronic glomerular inflammation caused by IgA deposits), focal segmental glomerulosclerosis ("**FSGS**," a segmental scarring of some glomeruli leading to proteinuria), and membranous nephropathy ("**MN**," a thickening of the glomerular basement membrane with immune complex deposits).

Secondary kidney disease refers to a kidney damage or loss of function caused by another underlying systemic disease or health condition. Examples include diabetic kidney disease ("**DKD**," a kidney damage due to chronic high blood sugar and metabolic changes in diabetes) and lupus nephritis ("**LN**," an autoimmune inflammation of kidneys caused by systemic lupus erythematosus).

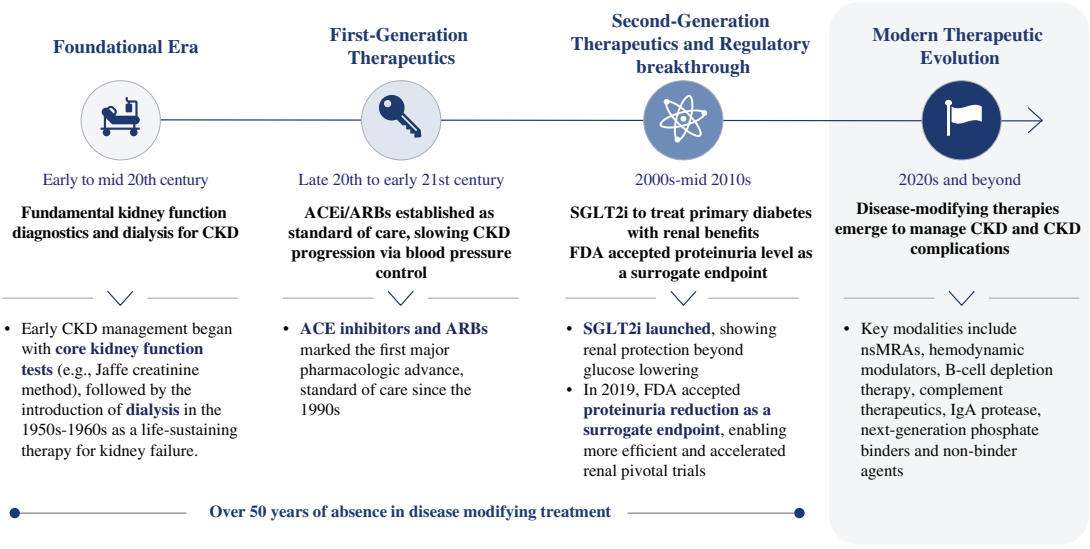
Hereditary kidney disease refers to a group of kidney disorders caused by a pathogenic variant or mutation in one or more genes. A primary example is autosomal dominant polycystic kidney disease ("**ADPKD**"), a genetic disorder characterized by progressive development of fluid-filled cysts in both kidneys, leading to enlarged kidneys and gradual loss of kidney function.

CKD is a complex disease and its progression is associated with multiple serious complications as kidney function deteriorates. Hyperphosphatemia is a common CKD complication caused mainly by impaired kidney function to excrete excess phosphate. Another common complication of CKD is renal anemia. It is associated with decreased red blood cell formation due to reduced erythropoietin production in the kidney.

Market Opportunities of CKD Drugs

The development and evolution of CKD treatments

The chart below shows the historical timeline of CKD drug development.



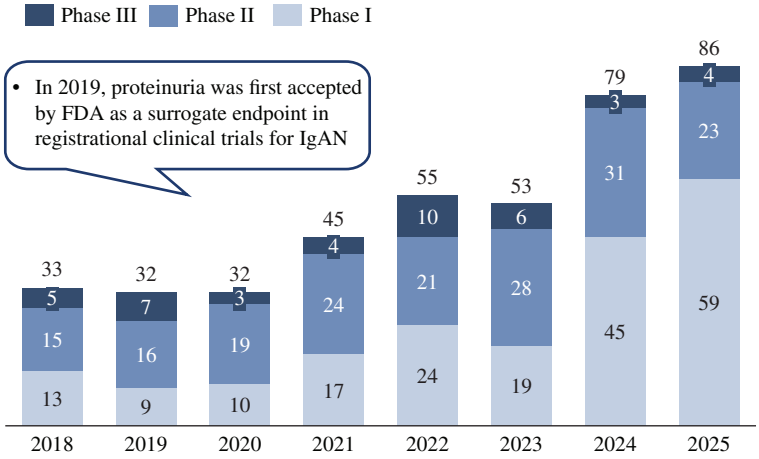
Source: Seminars in Nephrology, Chinese Journal of Nephrology, CIC

Increased R&D and Investment Fueled by Favorable Government Policies

Global regulatory support is accelerating the innovation in CKD treatment. In the U.S., the FDA traditionally required evidence of long-term clinical outcome. This usually necessitates large quantities of clinical samples and long-term follow-up periods, which leads to high R&D costs and prolonged development timeline. In 2019, the proteinuria level was accepted by the FDA as a surrogate endpoint for registrational clinical trials targeting IgAN. This regulatory development has significantly boosted the innovation in the CKD drug R&D. Additionally, several CKD drug candidates have received the Fast Track designation. In China, CKD management is incorporated into the "Healthy China 2030" blueprint, which aims to reduce the burden of non-communicable diseases. The NMPA has streamlined the review process of drug candidates addressing urgent clinical needs and included novel renal drugs in the National Reimbursement Drug List ("**NRDL**").

The number of newly initiated clinical pipelines in CKD drug development globally has been rapidly increasing in the past few years, as shown in the chart below. However, the number of new clinical pipelines in CKD drug development globally only accounted for less than 2% out of total new global clinical pipelines in 2025, while oncology comprises over 40%, which suggests significant untapped potential for technology innovation and clinical development of CKD therapeutics.

Number of new clinical trials in kidney disease drug development



Source: FDA, CDE, EMA, ClinicalTrials, CIC

In addition, there is a growing volume of global merger and acquisition ("**M&A**") and licensing transactions focused on renal disease therapeutics. As of December 31, 2025, the top 10 transactions in renal therapeutics with multinational companies since 2020 had amounted to an aggregate of US$85.4 billion.

**Top 10 transactions in renal disease therapeutics with MNCs since 2020*
(As of Dec. 2025)**

Rank	Deal date	Target / Licensor	Acquirer / Licensee	Therapeutic target	Renal indications	Transaction type	Key renal assets	Total transaction value (billion USD)	Upfront payment (million USD)
1	2020-12-12	Alexion Pharmaceuticals	AstraZeneca	C5	IgAN, C3G	M&A	Ravulizumab, eculizumab	39.0	N/A
2	2021-12-14	Vifor	CSL	SLC40A1, KOR	CKD anemia, CKD-ap, hyperkalemia	M&A	FCM, patiromer, difelikefalin	11.7	N/A
3	2021-09-30	Acceleron Pharma	Merck Sharp & Dohme	ACVR2A, ACVR2B	CKD anemia	M&A	sotatercept, luspatercept	11.5	N/A
4	2020-08-19	Momenta Pharmaceuticals	Johnson & Johnson	FcRn	Lupus nephritis	M&A	nipocalimab	6.4	N/A
5	2024-04-10	Alpine Immune Sciences	Vertex	BAFF/APRIL	IgAN	M&A	Povetacicept	4.9	N/A
6	2022-08-04	ChemoCentryx	Amgen	C5AR	C3G	M&A	avacopan	3.7	N/A
7	2020-08-17	Principia Biopharma	Sanofi	BTK	FSGS	M&A	SAR442168, rilzabrutinib, PRN473	3.7	N/A
8	2023-06-12	Chinook Therapeutics	Novartis	EDNRA, APRIL	IgAN	M&A	atrasentan, zigakibart	3.5	3,200
9	2020-06-11	Corvidia Therapeutics	Novo Nordisk	IL6	CKD	M&A	ziltivekimab	2.1	725
10	2024-05-22	Human Immunology Biosciences	Biogen	CD38	IgAN, pMN, Lupus nephritis	M&A	felzartamab	1.8	1,150

Note: *The transactions include various types of deals such as drug-related and enterprise-related transactions. Additionally, deals that have been fully terminated are not included

Source: Company announcement, CIC

Entry Barriers in the CKD Drug Market

R&D Barriers: CKD is a chronic and heterogeneous disease area, involving multiple underlying etiologies, comorbidities and treatment objectives across different stages of disease progression. Companies developing CKD therapies are required to demonstrate clinically meaningful benefits in well-defined patient populations, while taking into account renal function, cardiovascular risk, concomitant medications and long-term safety. As a result, successful R&D in the CKD drug market generally requires disease-specific clinical development capabilities, appropriate endpoint selection, and experience in designing and executing clinical trials.

Investment and Resource Barriers: The development of CKD drugs generally requires substantial investment and operational resources. Given the chronic and progressive nature of CKD, clinical programs may involve relatively large patient populations, multi-center trial networks and sustained follow-up periods to evaluate efficacy, safety and tolerability. Patient recruitment and retention can be affected by disease stage, comorbidities, background therapies and eligibility criteria. These factors may increase the complexity, duration and cost of clinical development, regulatory preparation and post-approval evidence generation.

Manufacturing Barriers: Manufacturing requirements for CKD drugs vary by drug type, formulation and mechanism of action. Certain CKD therapies, including phosphate binders and other products with specialized formulation or quality attributes, may require tailored manufacturing processes, robust quality control systems and reliable supply chain management. Other CKD therapies, such as small-molecule agents, may rely on more conventional

pharmaceutical manufacturing processes but still require compliance with applicable GMP standards and consistent product quality. Accordingly, manufacturing capability, process control, quality assurance and supply reliability may constitute entry barriers to varying degrees depending on the specific product category.

Product Portfolio Barriers: To establish a competitive advantage in the CKD space, a company needs a broad product portfolio with extensive coverage of CKD-related indications. This allows the company to offer integrated treatment solutions, enhance patient retention, and stabilize market share. Managing such a diverse portfolio requires significant investment in specialized teams to coordinate development, regulatory, and commercialization efforts across indications.

Growth Drivers and Market Trends in CKD Drug Market

Growing Aging Population and Expanding Patient Base: The addressable CKD patient population continues to grow, driven by the global aging demographics and the rising prevalence of diseases that damage kidney function. The expansion of healthcare services to primary care institutions at community and township levels improves early detection and management of CKD, which further broadens the patient base. Stronger insurance coverage and increased reimbursement support enhance the patients' access to CKD diagnosis and therapies.

Transformation of Clinical Outcomes Fueled by Breakthrough Pharmacotherapies: The introduction of breakthrough therapies may establish a new standard of care for CKD and accelerate the growth of the CKD drug market. For example, AP306 is designed to inhibit multiple phosphate transporters to effectively lower the serum phosphate level in CKD patients. It has the potential of MOA innovation, where new drugs are designed not only to target novel pathways but also to enhance patient convenience and outcomes.

Longitudinal Patient Management Optimized by Specialized Medicine and Integrated Healthcare Pathways: CKD patients often suffer from multiple chronic conditions, including hypertension, diabetes, and cardiovascular disease. This complexity, combined with the rapidly expanding and costly CKD market, is fueling a shift towards transformative therapies that not only address the underlying disease more effectively but also integrate longitudinal care pathways to optimize patient outcomes over time.

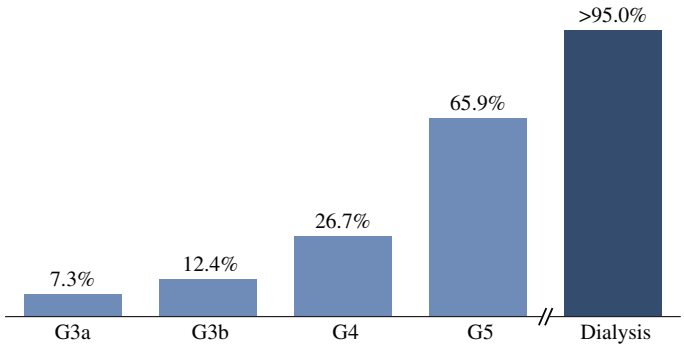
OVERVIEW OF HYPERPHOSPHATEMIA MARKET

Introduction of Hyperphosphatemia

Hyperphosphatemia is a medical condition characterized by elevated level of phosphate in the blood, typically defined as a serum phosphate concentration greater than 4.5 mg/dL, according to KDIGO. It is clinically challenging to bring target serum phosphorous level below 4.5 mg/dL. The target serum phosphorus level for dialysis patients is 3.5-5.5 mg/dL, according to K/DOQI guidelines. Excessive level phosphate can lead to serious complications. Impaired kidney function, especially in patients with CKD, is the leading cause of hyperphosphatemia.

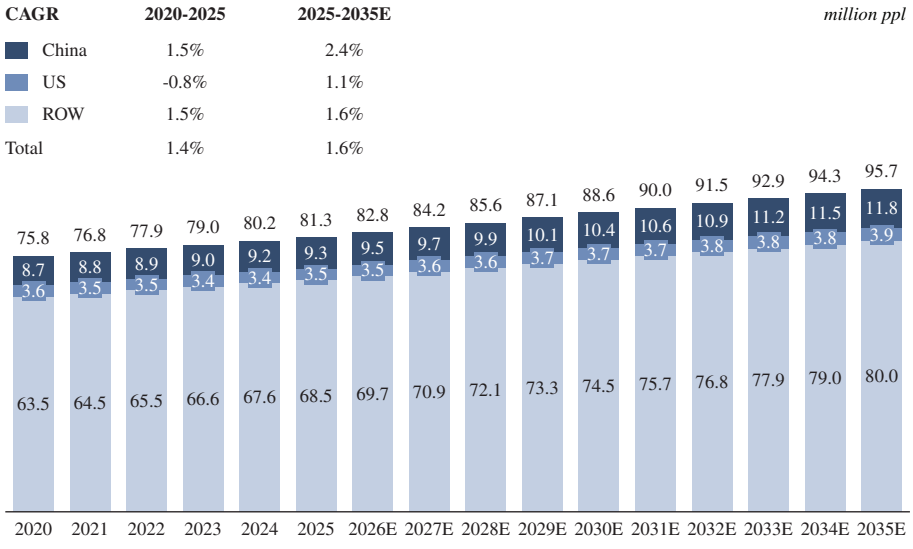
The incidence of hyperphosphatemia increases significantly with the progression of CKD. For non-dialysis patients, the serum phosphate level is usually manageable by dietary interventions and pharmacological treatment. For dialysis patients, the serum phosphate level is markedly elevated and difficult to control.

Prevalence of hyperphosphatemia by different CKD stages



Source: Chinese Journal of Blood Purification, CIC

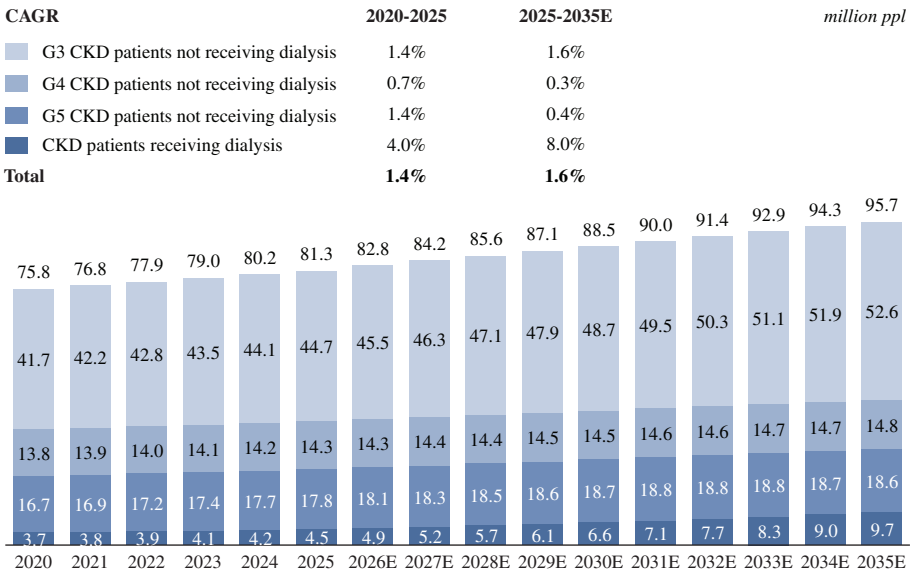
In current clinical practice, phosphate-lowering agents are routinely prescribed for patients with late-stage CKD, while the management of earlier-stage CKD primarily relies on lifestyle modification, reflecting the absence of differentiated and effective therapies. Phosphate binders represent a major class of phosphate-lowering agents. They act within the gastrointestinal tract by binding dietary phosphorus and reducing its absorption into the bloodstream. Phosphate binders may be broadly categorized based on their active components and binding mechanisms. Calcium-based formulations utilize divalent calcium cations to initiate ionic precipitation, yielding insoluble calcium-phosphate salts within the gastrointestinal tract; lanthanum-based agents leverage trivalent lanthanum to establish high-affinity ionic bonds with phosphate ions across a broad physiological pH spectrum, forming non-absorbable lanthanum phosphate complexes; iron-based binders achieve phosphate capture through ligand exchange or surface adsorption mechanisms localized to oxyhydroxide cores.



Source: CNRDS, JAMA, Chinese Journal of Nephrology, CIC

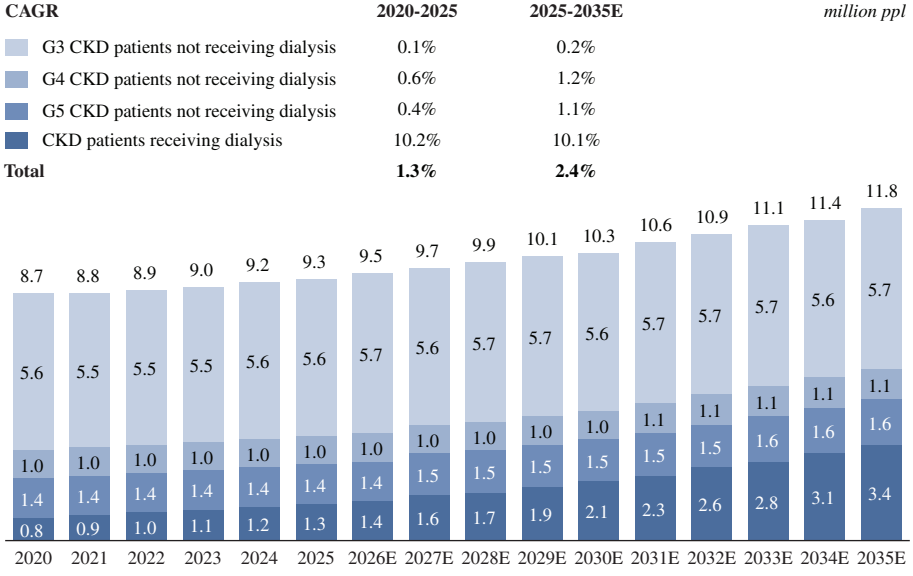
The hyperphosphatemia patients could be broken down into CKD patients not on dialysis and CKD patients receiving dialysis. Globally, CKD patients receiving dialysis consisted of 6% of the hyperphosphatemia population in 2025, and among CKD patients not on dialysis, G3, G4 and G5 CKD accounted for approximately 55%, 17% and 22%, respectively, of the total global hyperphosphatemia population. CKD patients receiving dialysis consisted of 14% of the hyperphosphatemia population in 2025 in China, and among CKD patients not on dialysis, G3, G4 and G5 CKD accounted for 60%, 10% and 15%, respectively, of the total China hyperphosphatemia population.

Global prevalence of hyperphosphatemia, breakdown by stage, 2020-2035E



Source: KDIGO, USRDS, ISN-GKHA, Nephrology Dialysis Transplantation, CIC

China prevalence of hyperphosphatemia, breakdown by stage, 2020-2035E



Source: CNRDS, Chinese Journal of Nephrology, Chinese Medical Journal, CIC

Current Treatment Paradigm and Medical Needs for Hyperphosphatemia

The current clinical practice guidelines and practices for the standard of care treatments of hyperphosphatemia are as follows.

Guideline	Jurisdiction	Eligible population	Treatment goal	Non-pharmacological interventions		Pharmacological treatment recommendations	
				Dietary interventions	Dialysis management	Calcium-based binders	Calcium-free agents
KDIGO CKD-MBD 2017	Global	CKD G3a~G5D including both **non-dialysis and dialysis patients**	• Lower elevated phosphate levels toward the normal range	• limiting dietary phosphate intake in the treatment of hyperphosphatemia alone or in combination with other treatments	• For patients with CKD G5D (on dialysis) with persistent hyperphosphatemia, increasing dialytic phosphate removal is suggested	• In adult patients receiving phosphate-lowering treatment, it is suggested to restrict the dose of calcium-based binders, broadening the restriction compared to the 2009 guideline	• –
K/DOQI guidelines 2003	US	CKD G3a~G5D including both **non-dialysis and dialysis patients**	• Maintenance of normal serum levels of phosphorus in CKD patients	• restricting dietary phosphorus to 800–1,000 mg/day (adjusted for protein needs) when serum phosphorus is elevated	• For patients with serum phosphorus >7.0 mg/dL, the guideline indicates that more frequent dialysis should also be considered	• Calcium-based phosphate binders should not be used in dialysis patients who are hypercalcemic (corrected serum calcium >10.2 mg/dL), or Have PTH <150 pg/mL on two consecutive measurements	• Calcium-free agents are preferred in dialysis patients with severe vascular and/or other soft-tissue calcifications
Chinese expert consensus (2025 edition)	China	CKD G3a~G5D including both **non-dialysis and dialysis patients**	• To lower serum phosphorus to the normal range • Regular monitoring is required	• Daily phosphate intake should be restricted to < 1,000 mg, and protein intake control is needed	• Ensure adequate dialysis, and adjust frequency if needed	• Calcium-Based Binders are suggested specifically for patients with hypocalcemia	• Calcium-free agents are prioritized for CKD G3a–G5D patients to avoid calcium loading

Source: KDIGO, KDOQI, Chinese Journal of Blood Purification, CIC

Currently, commonly used phosphate binders include calcium-based binders, lanthanum carbonate, and Sevelamer, with Sevelamer being the most widely used in clinical practice. However, about 76% and 52% of dialysis patients in China and U.S., respectively, suffer from an uncontrolled serum phosphorus level after medications. Also, existing phosphate binders generally suffer from frequent GI side effects, high pill burden, systemic absorption and negative impact on normal physiological functions. As a result, the clinical adoption of phosphate binders remains at a low level.

Dietary phosphate restriction and, where applicable, dialysis remain foundational components of phosphate control and should not be viewed as interchangeable with pharmacotherapy. Clinical guidelines emphasize that phosphate-lowering treatment is typically based on a combination of measures, including dietary modification, phosphate-lowering agents and, in patients with CKD on dialysis, dialysis-based phosphate removal. This is particularly important outside the dialysis setting, where dietary management remains a core intervention and dialysis is not available to compensate for ongoing phosphate burden. At the same time, pharmacotherapy continues to play an important complementary role, particularly for patients whose serum phosphate remains persistently elevated despite dietary measures alone or, in the dialysis population, despite background dialysis treatment, as drug therapy may help further reduce intestinal phosphate absorption and improve overall phosphate control.

Underpenetrated Status of Phosphate Control in China

In China, approximately 76% of dialysis patients fail to achieve the target serum phosphorus levels between 3.5-5.5 mg/dL based on K/DOQI guidelines, which is significantly higher than that in the U.S. (approximately 52%) and Japan (approximately 39%). This gap in the control rate for serum phosphate level is mainly due to the following reasons:

Lower Penetration Rate for Dialysis: Dialysis penetration among ESRD patients in China remains low at about 27%, compared to about 72% in the U.S. and to about 98% in Japan. This gap is primarily due to the limited availability of dialysis centers (over 80% concentrated in tertiary or secondary hospitals) and inadequate reimbursement coverage for dialysis in China.

Lack of Novel Therapeutic Options: The therapeutic landscape for phosphate control in China is characterized by a dominance of off-patent drugs, with novel therapies occupying only a negligible market share.

Lower Duration of Treatment: In China, the average duration of treatment for non-calcium phosphate binders is about 100 days, significantly lower than the U.S. (about 200 days) and Japan (about 250 days). The discrepancy is largely attributable to patients' access to novel treatments and consequent compliance issue due to high pill burden and side effects.

Market Opportunities of Hyperphosphatemia Drugs

Development History of Hyperphosphatemia Drugs

The chart below shows the historical evolution of phosphate binders.

-1990's | 2000's | 2010's | 2020's

Agents	Al/Mg /Ca-based	Sevelamer/Lanthanum	Velphoro® *1st gen. iron-based*	AP301 *Next gen. iron-based*
Improvement	*Phasing-out or restricted use*	• Improved phosphate-lowering efficiency • Less CV and all-cause death	• Improved GI safety profile • Less pill numbers	• Further improved phosphate-lowering efficiency • Well tolerated, good overall safety profile • No systemic absorption
Remaining Concerns		• Suboptimal serum phosphate control rate • GI side effects (e.g., nausea (~20%), vomiting (~20%) and constipation (~8%)) • Compromised patient adherence due to high dosing burden • Accumulation in liver (lanthanum)	• Suboptimal serum phosphate control rate • High daily dose weight • Need to chew before use, leading to high discontinuation rate and suboptimal patient adherence	• Diarrhea

Source: Drug labels, Company announcements, CIC

Compared to other phosphate binders on the market, AP301 has demonstrated a higher serum phosphate control rate and a more convenient administration profile, including no chewing requirement and a lower pill burden than sevelamer, which supports better patient adherence. AP301 adopts an MOA differentiated from other phosphate binders, which enables AP301 to maintain integrity throughout physiologically relevant pH values in the GI tract and reduce the likelihood of phosphate being released back into the GI tract for reabsorption. In a head-to-head Phase III clinical trial in China, AP301 achieved a higher serum phosphate response rate (66.7%) compared to an approved prescription phosphate binder, sevelamer carbonate (58.6%), in CKD patients receiving maintenance dialysis, with a lower mean daily dose exposure (6.52 g/day in AP301 versus 7.56 g/day in sevelamer carbonate). For details, please refer to "Business — Our Product Pipeline — AP301: Our Core Product, An Oral Phosphate Binder for the Treatment of Hyperphosphatemia."

Pan-phosphate transporter inhibitor represents an emerging type of hyperphosphatemia treatment other than phosphate binders. It is expected to function by pan-inhibiting all major types of active phosphate transporters, so as to reduce the active transcellular uptake of phosphate in the gut, thereby lowering the serum phosphate level.

Market Size of Hyperphosphatemia Drugs

The introduction of Sevelamer, first approved by the FDA in 1998 under the trade name Renagel® (Sevelamer hydrochloride) and then approved by the FDA in 2000 under the trade name Renvela® (Sevelamer carbonate), led to a rapid market expansion starting in the 2000s. The launch of Velphoro®, approved by the FDA in 2013, further fueled global market growth. These approved drugs are all phosphate binders.

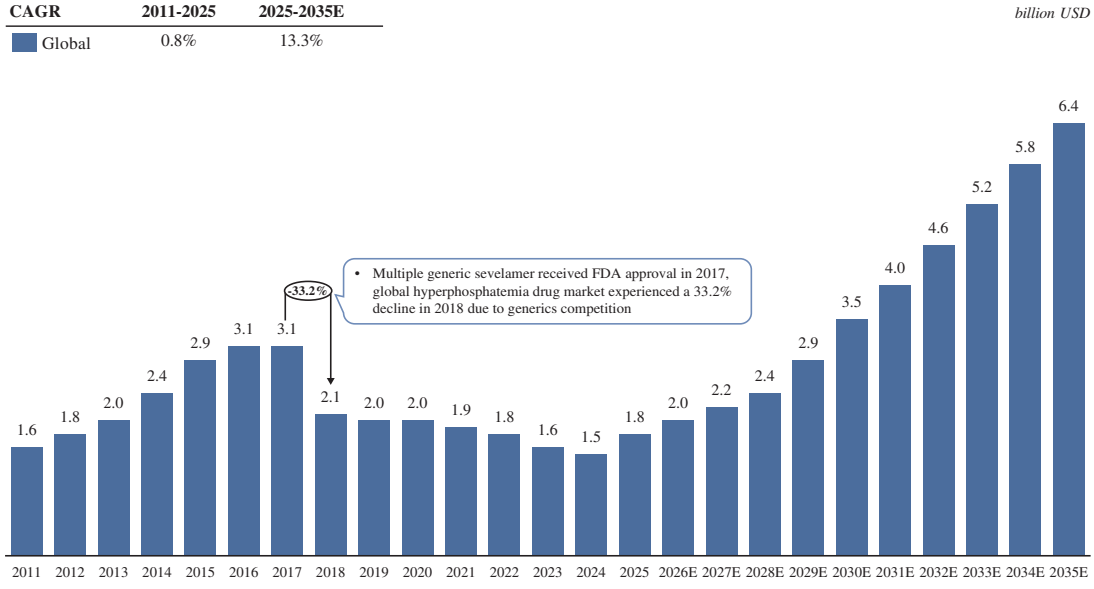
In 2014, the patent that covers Sevelamer expired, and the drug faced a loss of exclusivity ("**LoE**"). As a result, multiple generic versions of the drug entered the market in 2017, which caused a sharp drop in sales of the branded drug. The size of the global market for hyperphosphatemia drugs had significantly declined since 2018.

The global market experienced continued decline from 2020 to 2024, primarily due to the COVID-19 pandemic-related disruptions, including a reduction in medical procedures and increased mortality among ESRD patients. Although healthcare delivery normalised after 2023, the hyperphosphatemia drug market in 2024 continued to reflect lagged effects of pandemic-era ESRD patient mortality, slower recovery of the dialysis population, and sustained generic-driven pricing pressure, resulting in a temporary but slowed decline in market size.

In 2025, the global market saw a robust recovery. It was mainly driven by the strong revenue growth of Velphoro® in the U.S. market following its inclusion in the TDAPA (Transitional Drug Add-on Payment Adjustment), a Medicare payment mechanism for new renal dialysis drugs and biological products under the ESRD Prospective Payment System.

The global market is expected to continue growing from 2025 onwards, driven by the launch of new therapies with improved efficacy, tolerability and lower pill burden. The growth is further supported by the rising prevalence of CKD, improving long-term disease management and reimbursement conditions. For example, the U.S. Centers for Medicare & Medicaid Services ("**CMS**") has incorporated oral-only drugs (including phosphate binders) into the ESRD Prospective Payment System bundled payment beginning from January 1, 2025. The CMS has specified the TDAPA treatment for phosphate binders and provided payment details for 2025, including an additional fixed amount added to TDAPA for monthly claims that include phosphate binders.

Global market trend of hyperphosphatemia drugs, 2011-2035E

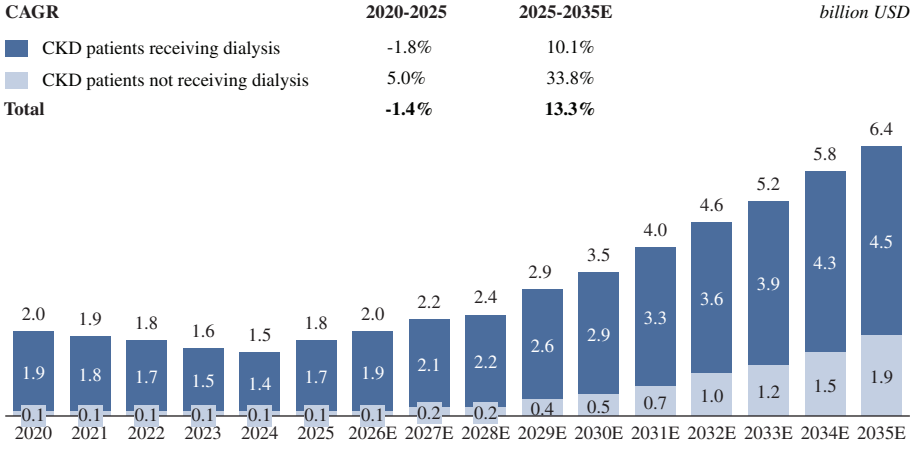


Source: Clinical Kidney Journal, Nephrology, CIC

The aforementioned drivers for the historical and future growth of the hyperphosphatemia drug market also apply to that of phosphate binders, which account for a vast majority share of the hyperphosphatemia drug market both globally and in China. In 2025, the global sales of phosphate binders reached US$1,726.5 million, accounting for about 94% of the hyperphosphatemia drug market, while NHE3 inhibitor amounted to US$103.6 million, representing about 6% of the market. In the total hyperphosphatemia drug market, CKD patients receiving dialysis contributed to 51% of

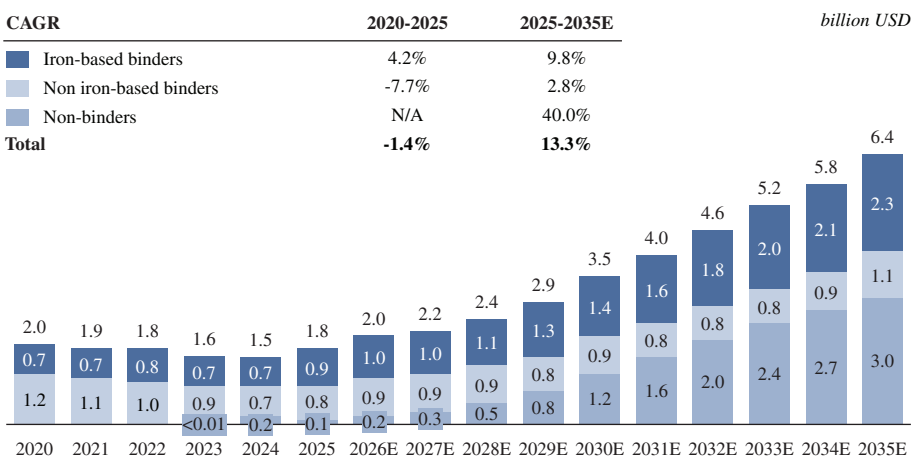
the total market size. Among phosphate binders, in 2025, iron-based binders accounted for 51% of the total hyperphosphatemia market, and non iron-based binders accounted for 43% of the total hyperphosphatemia market. In China, phosphate binders recorded total sales of RMB1,824.9 million, representing 100% of the market, whereas transporter inhibitors generated no sales as no such drugs had been approved. In China's total hyperphosphatemia drug market, CKD patients receiving dialysis contributed to 90% of the total market size. Iron-based binders accounted for approximately 15% of the total hyperphosphatemia market, and non iron-based binders accounted for 85% of the total hyperphosphatemia market.

Global market size of hyperphosphatemia drugs, 2020-2035E, by patient type

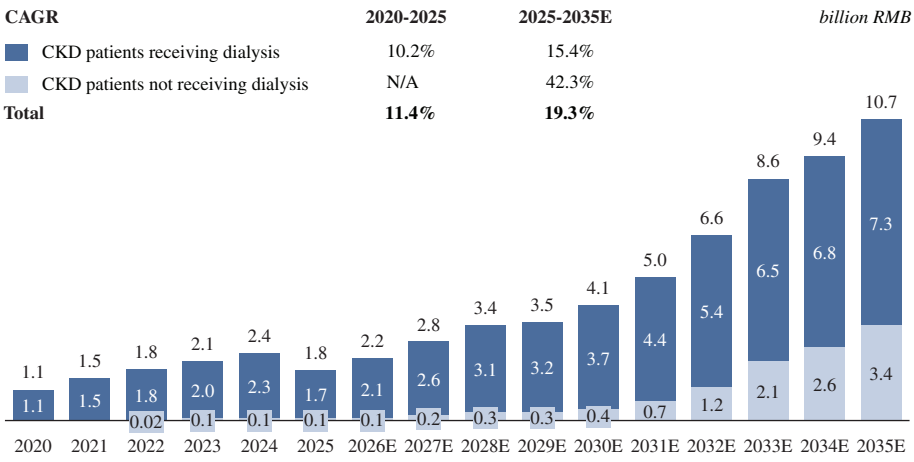


Source: KDIGO, Clinical Kidney Journal, Nephrology, Annual reports, USRDS, CIC

Global market size of hyperphosphatemia drugs, 2020-2035E, by drug types



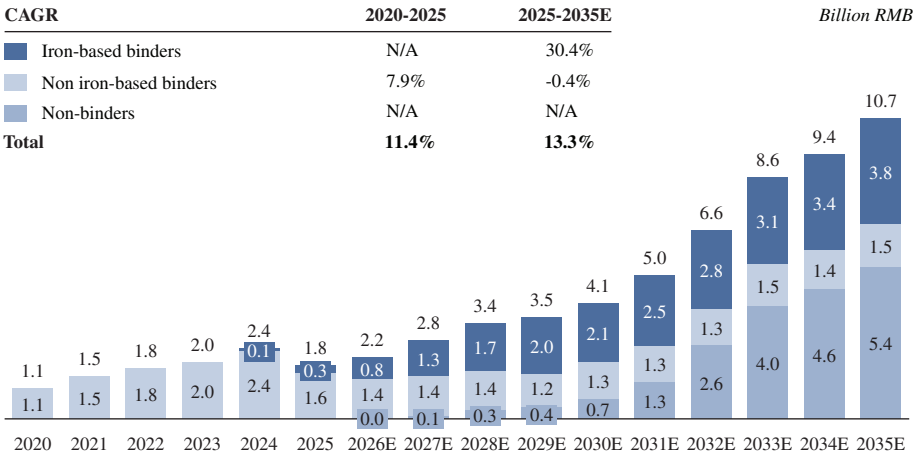
China market size of hyperphosphatemia drugs, 2020-2035E, by patient type



Note: The China market experienced a contraction in 2025, due to the volume-based procurement ("**VBP**") of lanthanum carbonate in 2023 and Sevelamer in 2024.

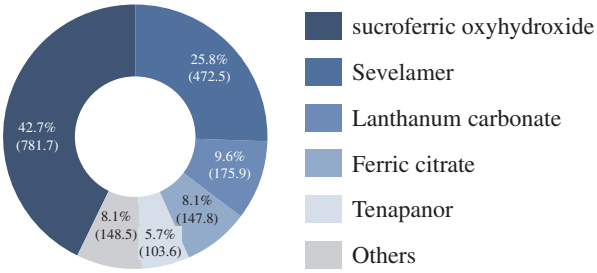
Source: Clinical Kidney Journal, Nephrology, Chinese Journal of Blood Purification, CKNET, Annual reports, CIC

China market size of hyperphosphatemia drugs, 2020-2035E, by drug types



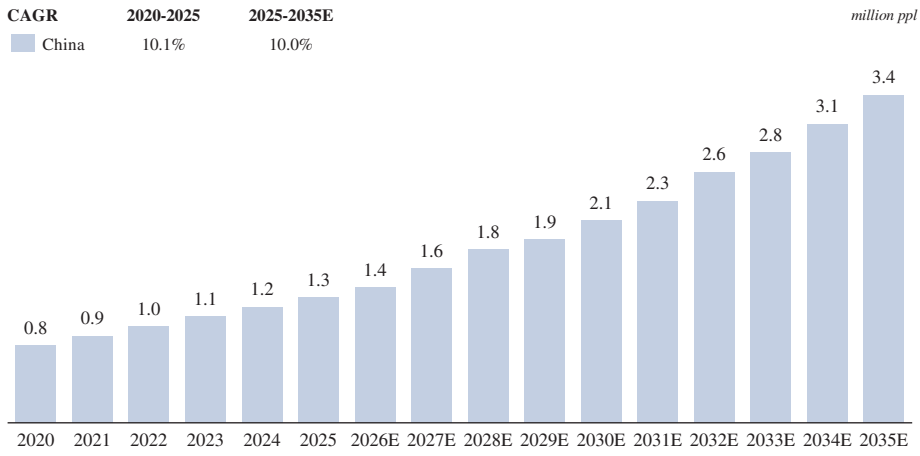
Source: Clinical Kidney Journal, Nephrology, CIC

Globally, the top five hyperphosphatemia drugs in terms of recorded sales (by US$ million) and market share (by %) in 2025 are presented as follows.



Source: KDIGO, KDOQI, Chinese Journal of Blood Purification, CIC

In China, the number of CKD patients receiving dialysis treatment (i.e., DD-CKD patients) has been rapidly increasing, as shown in the chart below.



Source: NIDDK, CK-NET, CN-CNRDS, USRDS, DOPPS, CIC

The market size for hyperphosphatemia drugs in China was historically driven by the launch of new drugs, including the first approval of Sevelamer in 2013. Since phosphate binders were included in NRDL in 2017, the market has experienced substantial expansion. The market experienced a contraction in 2025, due to the VBP of lanthanum carbonate in 2023 and Sevelamer in 2024. However, the market for hyperphosphatemia drugs in China is expected to rebound from 2025 onwards, primarily fueled by the improving penetration rate of dialysis and phosphate binder treatments, the introduction of new hyperphosphatemia drugs and the consequent increase in the treatment duration. Specifically, by 2026, the impact from VBP of lanthanum carbonate and sevelamer is expected to largely flatten, as the major rounds of price adjustment are substantially absorbed by the market. In parallel, tenapanor was included in the NRDL in 2025, with reimbursement implementation commencing in 2026. It is expected to expand treatment uptake and partially offset prior pricing pressure from legacy phosphate binders. As a result, the hyperphosphatemia drug market is expected to stabilise and return to a growth trajectory from 2026 onwards. In addition, the inclusion of the serum phosphorus control rate in China's *2024 National Medical Quality and Safety Improvement Goals* announced by the NHC marks the first time hyperphosphatemia management has been elevated to a national-level quality metric, creating a strong incentive for hospitals and physicians to standardize treatment and improve ESRD patient outcomes. This policy directive is expected to directly accelerate the adoption of phosphorus-lowering therapies, fueling market growth.

Further, the growing CKD patient pool in China is expected to increase the burden of CKD-related complications, including hyperphosphatemia. As renal function declines, phosphate excretion becomes progressively impaired, while dietary control, dialysis and conventional phosphate binders may not adequately maintain serum phosphorus within the target range in

real-world practice. This unmet need is further amplified by the long-term nature of CKD management and the adherence challenges associated with existing therapies, including gastrointestinal tolerability issues and high pill burden. Accordingly, new phosphate-lowering drugs with improved efficacy, better tolerability and lower pill burden are expected to address meaningful clinical needs, enhance treatment uptake and support the continued growth of China's hyperphosphatemia drug market.

Competitive Landscape of Hyperphosphatemia Drug Market

As of the Latest Practicable Date, there were seven drug types that have molecules approved as phosphate lowering agents, including six non-calcium phosphate lowering molecules (tenapanor, ferric citrate, sucroferric oxyhydroxide, bixalomer, lanthanum carbonate, sevelamer) and one calcium-based phosphate binders. In the U.S., all the drug types, except bixalomer, have molecules that were approved as phosphate lowering agents. In China, all the drug types, except bixalomer, have molecules that were approved as phosphate lowering agents. The chart below shows all approved phosphate-lowering agents for the treatment of CKD patients with hyperphosphatemia (the target patient cohort) globally as of the Latest Practicable Date.

INN[1]	Brand name	Company	FDA Approval date	NMPA Approval date	MoA	Therapy type	Daily dosage mass[2]	Daily cost[3]	Patent expiry status	Number of generics
Calcium acetate	PHOSLO®	Fresenius Medical Care	• 1990-10	• /	• Calcium-based PB	• Mono	• ~8 g	• ~8 USD	• Expired	• Global: >20 • China: 20
Sevelamer	Renvela® Renagel®	Sanofi	• 1998-10	• 2013-01	• Non calcium-based PB	• Mono	• ~9.6 g	• ~35 USD	• Expired	• Global: >40 • China: 15
Bixalomer[4]	Kiklin®	Astellas	• /	• /	• Non calcium-based PB	• Mono	• ~7.5g	• /	• 2026-04	• /
Lanthanum carbonate	FOSRENOL®	Takeda	• 2004-10	• 2012-02	• Non calcium-based PB	• Mono	• ~9 g	• ~36 USD	• Expired	• Global: >20 • China: 16
Sucroferric oxyhydroxide	Velphoro®	Renal Pharma	• 2013-11	• 2023-02	• Non calcium-based PB	• Mono	• ~8.3 g	• ~70 USD	• 2029-05	• /
Ferric citrate	Auryxia®	Akebia Therapeutics	• 2014-09	• 2026-04	• Non calcium-based PB	• Mono	• ~9 g	• ~44 USD	• 2026-04	• /
Tenapanor	XPHOZAH®	Ardelyx/ Fosun Pharma	• 2023-10	• 2025-02	• NHE3i	• Add-on to PBs	• ~400 mg + 10 g[5]	• ~106 USD for Tenapanor and ~40 USD for binders[5]	• 2033-08	• /

Notes: 1 International Nonproprietary Name; 2 Daily dose mass refers to total weight of drug formulation intake for a day instructed by their labels; 3 Daily cost calculated based on US WAC, if WAC not available, price based on retail price from public sources; 4 Bixalomer is only approved in Japan and was launched in 2012, with no clinical trials active in the US or China; 5 Tenapanor is indicated as an add-on therapy to binders, daily cost represent overall phosphate-lowering pill burden and cost burden of patients. "400 mg + 10 g" indicates a daily dose burden that consists of 400 mg of tenapanor plus 10 g of concomitant phosphate binders. NHE3 inhibitors, such as tenapanor, offer a mechanistically complementary oral option for hyperphosphatemia by reducing intestinal phosphate absorption. However, their utility may be limited by modest phosphate-lowering efficacy, as the only FDA-approved NHE3 inhibitor for hyperphosphatemia, tenapanor, is approved only as add-on therapy rather than first-line monotherapy. Also, tenapanor faces gastrointestinal tolerability issues, particularly diarrhea.

Source: NMPA, FDA, EMA, PMDA, Company website, CIC

The chart below shows clinical-stage molecules in pipeline for hyperphosphatemia with active global trials as of the Latest Practicable Date.

Drug Name	Target	Sponsor	Phase	First Posted Date	Trial Number	Trial Location
AP301	Phosphate binder	Alebund	III	2023/05/30	NCT07030595; CTR20231624 (Completed)	China
				2025/04/18	NCT06933472; CTR20252745	China; US
AP306	NaPi-IIb, PiT-1, PiT-2	Alebund, R1 Therapeutics	II	2023/01/30	NCT05764590; CTR20230189 (Completed)	China
				2024/11/27	NCT06712654	Global

In addition, in January 2026, the FDA accepted the NDA for oxylanthanum carbonate, a lanthanum-based oral phosphate binder developed by Unicycive Therapeutics for the treatment of hyperphosphatemia in patients with CKD on dialysis.

In the design of CKD drugs for hyperphosphatemia, iron-based and non-iron-based phosphate binders present distinct clinical considerations. Iron-based phosphate binders can reduce serum phosphate while potentially improving iron parameters and reducing the need for intravenous iron or ESAs, which may be beneficial for CKD patients with concomitant anemia. However, their use may be limited by gastrointestinal adverse events, iron accumulation concerns and the need for monitoring iron indices. Non-iron-based phosphate binders, including calcium-based and non-calcium-based agents, are generally not associated with iron overload and may offer broader applicability across patient groups. However, calcium-based binders may increase the risk of hypercalcemia and vascular calcification, while certain non-calcium binders may be associated with high pill burden and gastrointestinal tolerability issues.

The chart below compares AP301 and AP306 with other currently available phosphate-lowering agents.

	Non-binder agents	Phosphate binder-based therapy[3]				
Key agents	**AP306**	**AP301**	**Velphoro**	**Sevelamer**	**Tenapanor + Binders**	**Calcium-based binders**
SP control rate[1]	• >85%[2]	• >65%[2]	• *<50%[3]*	• *<50%[4]*	• *<50%[5]*	*Restricted Use under KDIGO recommendations*
Daily dose mass	• ~300 mg	• ~7.5 g	• ~8.3 g	• ~9.6 g	• ~400 mg + 10 g	
Side effect	• Mild to moderate diarrhea	• Mild to moderate diarrhea	• GI symptoms	• GI symptoms	• GI symptoms	
Pill burden	• 2~3 small tablets	• 6~9 soft capsules	• 3~5 Chewable tablets	• 8~12 large tablets	• 2 small tablets + full weight PBs	
Generic drug status	• /	• /	• /	• Generics launched	• /	
Patient access in China	• /	• /	• Included in NRDL • Not yet covered in VBP	• Included in NRDL • Covered in VBP	• Tenapanor not yet included in NRDL	
Evaluation	• **Higher phosphate-lowering efficacy than sevelamer** in ph2 active control trials	• A lower daily dose option, **smaller capsule provides better patient compliance**	• Non-calcium option, GI effects common, needs chewing	• Moderate efficacy, high pill burden	• Effective phosphate control, but **high dosage burden under add-on vregimen**	

Notes: 1 SP control = Serum phosphorus between 3.5-5.5 mg/dL, with non-head-to-head comparison; 2 Estimated based on data from early clinical trials; 3 Currently, approved therapy choices of hyperphosphatemia are limited to phosphate binders. Although AP301 has a daily dose mass comparable to Velphoro and sevelamer, AP301 supports better patient compliance, because Velphoro requires chewing, and sevelamer generally requires a substantially higher daily number of tablet count than AP301.

Source: FDA, ClinicalTrials.gov, Nephrology Dialysis Transplantation, Company website, CIC

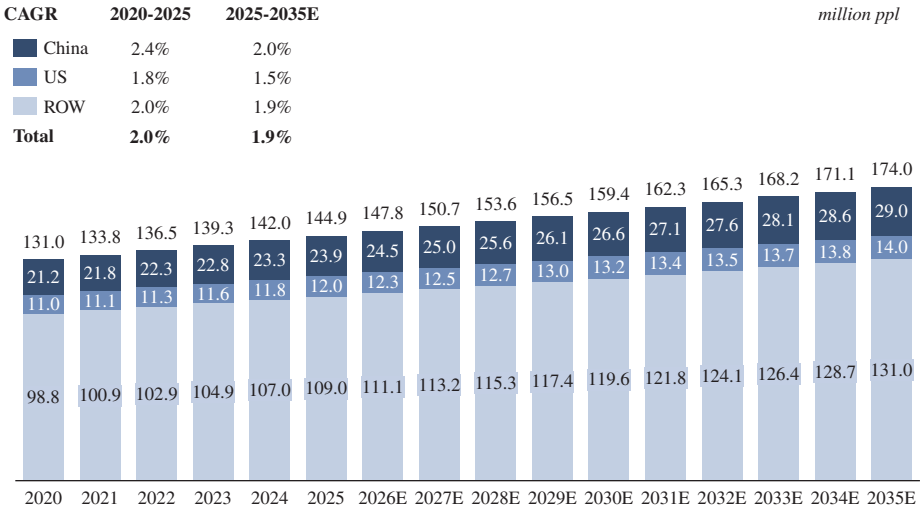
OVERVIEW OF DIABETIC KIDNEY DISEASE ("DKD") MARKET

Introduction to DKD

DKD is a type of kidney disease caused by diabetes. It is almost asymptomatic in the early stage. Clinically, DKD is mainly characterized by persistent albuminuria and/or a progressive decline in GFR. DKD is a leading cause of ESRD worldwide. Also, DKD markedly increases the risk of cardiovascular disease ("**CVD**") and CVD-related death in patients with diabetes.

Prevalence of DKD

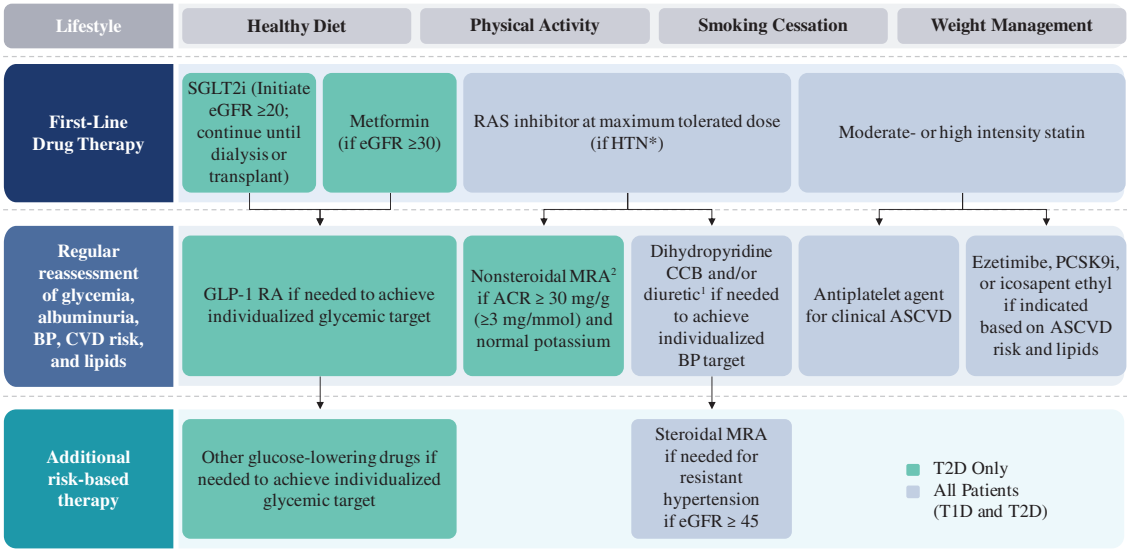
The chart below shows the global prevalence of DKD.



Source: CNRDS, JAMA, Chinese Journal of Nephrology, CIC

Current Treatment Paradigm and Medical Needs

The chart below shows the treatment pathway for DKD.



Notes: 1 Angiotensin-converting enzyme inhibitor (ACEi) or angiotensin II receptor blocker (ARB) should be first-line therapy for hypertension (HTN) when albuminuria is present, otherwise dihydropyridine calcium channel blocker (CCB) or diuretic can also be considered; all 3 classes are often needed to attain blood pressure targets. 2 Finerenone is currently the only nonsteroidal mineralocorticoid receptor antagonist (MRA) with proven clinical kidney and cardiovascular benefits

Source: KDIGO, CIC

However, current treatment paradigms for DKD are subject to limitations in efficacy. Several therapies under development have shown the potential to fulfill the unmet medical needs for effective DKD treatment. The key therapies for DKD can be classified according to their MOAs, as shown in the chart below.

Candidate	AP303	Dapagliflozin	Semaglutide	Finerenone
Drug class	PPAR agonists	SGLT2 inhibitors	GLP-1R agonists	non-steroidal mineralocorticoid receptor antagonists
Decrease intraglomerular pressure Correct hemodynamic adaptation	√ √ √	√ √	-	-
UACR/UPCR reduction independent to GFR change Anti-inflammation, heparinase inhibition, and others	√ √ √	-	√ √	√
Restore tubular energy supply Fatty acid oxidation	√ √ √	√	-	-

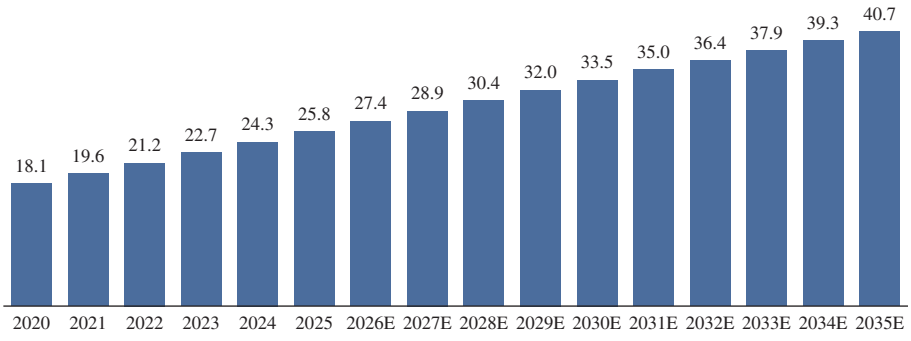
Source: Expert Opinion on Investigational Drugs, Company website, CIC

Market Opportunities of DKD Drugs

The chart below shows the global market size for DKD drugs.

CAGR	2020-2025	2025-2035E
Global	7.4%	4.7%

billion USD

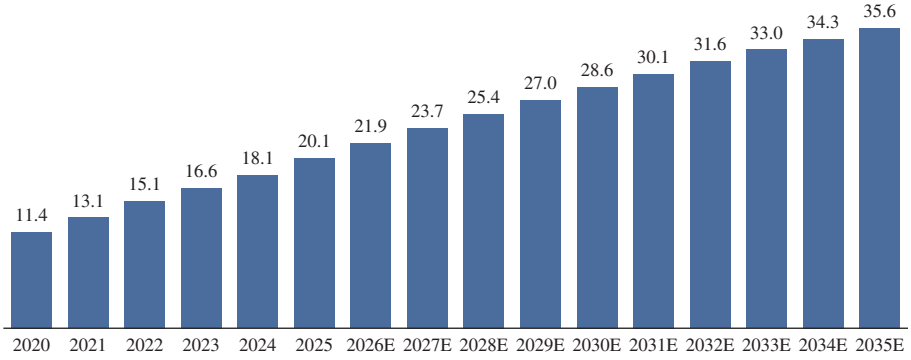


Source: Clinical Kidney Journal, Nephrology, CIC

The chart below shows China's market size for DKD drugs.

CAGR	2020-2025	2025-2035E
China	12.0%	5.9%

billion RMB



Source: Clinical Kidney Journal, Nephrology, CIC

Competitive Landscape of DKD Drug Market

As of the Latest Practicable Date, there were seven approved drugs for DKD globally, six of which had been approved in China.

Overview of approved drugs for DKD globally

INN[1]	Brand name	Company	FDA Approval date	NMPA Approval date	Target	Dosage	Monthly cost[2]
losartan	COZAAR®	MSD	• 1995-04	• 1997-01	• ARB	• 50 mg PO QD	• ~USD140
Irbesartan	AVAPRO®	Sanofi	• 1997-09	• 2000-01	• ARB	• 300 mg PO QD	• ~USD270
Canagliflozin	INVOKANA®	Johnson & Johnson	• 2019-09	• 2022-06	• SGLT2	• 100~300 mg PO QD	• ~USD600
Dapagliflozin	FARXIGA®	AstraZeneca	• 2021-04	• 2022-09	• SGLTi	• 10mg PO QD	• ~USD600
Finerenone	KERENDIA®	Bayer	• 2021-07	• 2022-06	• MR	• 20mg PO QD	• ~USD660
Empagliflozin	JARDIANCE	Eli Lilly	• 2023-09	• 2023-11	• SGLT2	• 10mg PO QD	• ~USD600
Semaglutide	OZEMPIC®	Novo Nordisk	• 2025-01	• 2025-07	• GLP-1R	• 0.5mg SC QW	• ~USD670

Notes: 1 International Nonproprietary Name; 2 Monthly cost calculated based on US WAC (WAC price represents the manufacturer's published catalog or list price for a drug product to wholesalers as reported to third-party drug pricing publishers

Source: NMPA, FDA, EMA, PMDA, Company website, CIC

As of the Latest Practicable Date, there were less than 10 drug candidates in the Phase II clinical trial stage or beyond targeting DKD with active global trials. In addition, AP303 from Alebund will soon enter the Phase II stage.

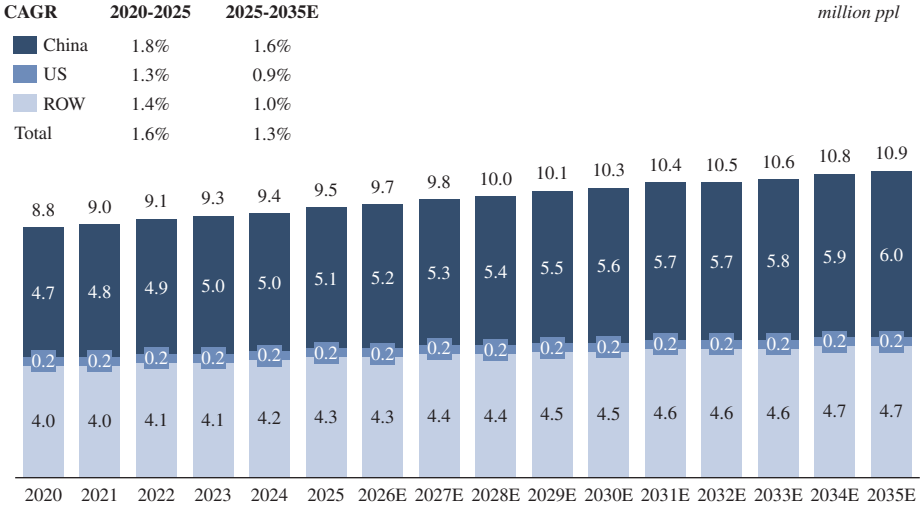
OVERVIEW OF IgA NEPHROPATHY ("IgAN") MARKET

Introduction of IgAN

IgAN is the most prevalent primary glomerulonephritis worldwide. It is characterized by the deposition of immunoglobulin A ("**IgA**") antibodies in the glomeruli — the kidney's filtering units — leading to inflammation and kidney damage. IgAN often manifests with microscopic hematuria (blood in urine) and may progress to severe proteinuria (excess protein in urine), edema (swelling), and hypertension. IgAN is one leading cause of glomerulonephritis and renal failure: 25%-30% of IgAN patients develop ESRD within 20-25 years of the first onset of the disease.

Prevalence of IgAN

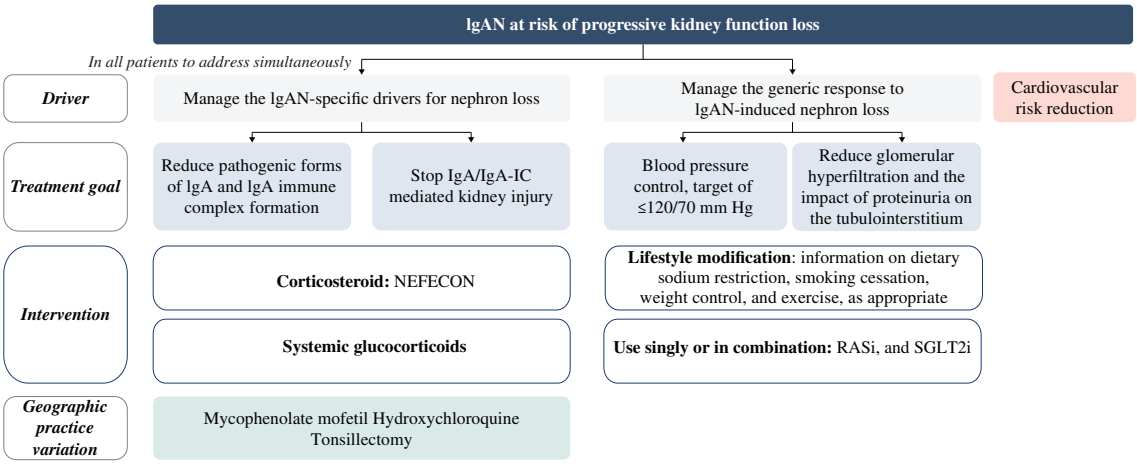
The chart below shows the global prevalence of IgAN.



Source: CNRDS, JAMA, Chinese Journal of Nephrology, CIC

Current Treatment Paradigms and Medical Needs

The chart below shows the current treatment paradigm for IgAN.



Note: RASi: renin-angiotensin system inhibitors, DEARA: dual endothelin angiotensin receptor antagonism
Source: KDIGO 2025, CIC

However, the diagnosis and treatment of IgAN are subject to a lack of non-invasive diagnosis and monitoring; poor risk stratification and lack of personalized treatments; a lack of safe, effective and targeted treatments; and challenges with the management of high-risk and refractory patients.

Market Opportunities of IgAN Drugs

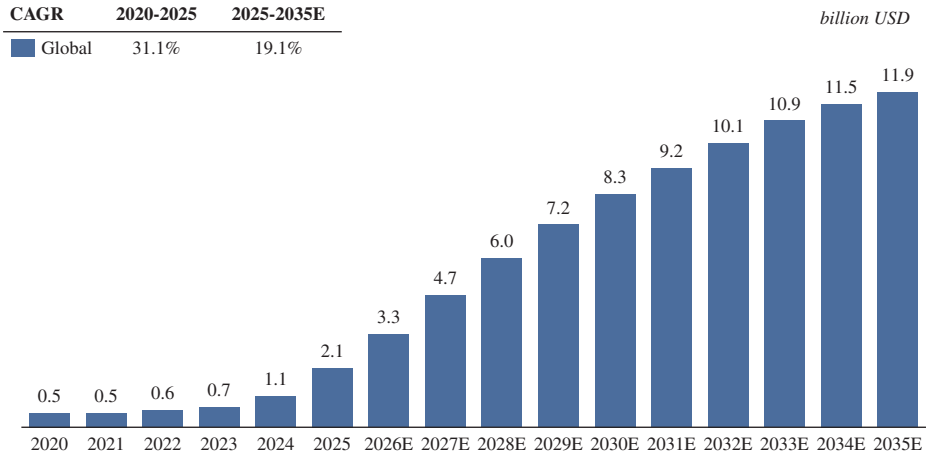
Emerging Therapies for IgAN

- *B-cell depletion*, which targets gut-associated B cells to reduce production of pathogenic IgA1 antibodies and prevent disease initiation. Main potential targets under this MOA include B-cell survival factors (*e.g.*, a proliferation-inducing ligand ("**APRIL**") and B-cell activating factor ("**BAFF**")) and CD38;

- *Inhibition of complement activation*, which blocks key complement components to suppress inflammation and immune-mediated kidney damage. Main potential targets under this MOA include Factor B, Factor D, C3 and C5;
- *Clearance of pathogenic IgA1 and immune complexes*, which removes or degrades harmful IgA1 and immune complexes, to prevent glomerular deposition and inflammation. Potential drug candidates adopting this MOA could be IgA protease fusion proteins, immune complex clearance agents, and anti-FcαRI antibodies. This MOA has a paradigm shifting potential for IgAN treatments, because of the multifaceted therapeutic benefits it can achieve, including prevention of kidney damage, reduction of inflammatory cascade, prevention of auto-amplification, and the potential to halt disease progression. Moreover, patient reaction can be achieved within weeks of treatment, and it has the potential to be the first line treatment;
- *Overall renal protection*, which improves renal blood flow and reduces fibrosis by modulating vascular tone and promoting tissue regeneration. Main potential targets under this MOA include endothelin receptor, angiotensin receptor, dual PPAR agonist. Currently, approved drugs adopting this MOA include atrasentan (endothelin receptor antagonist) and sparsentan (endothelin and angiotensin II receptor antagonist).

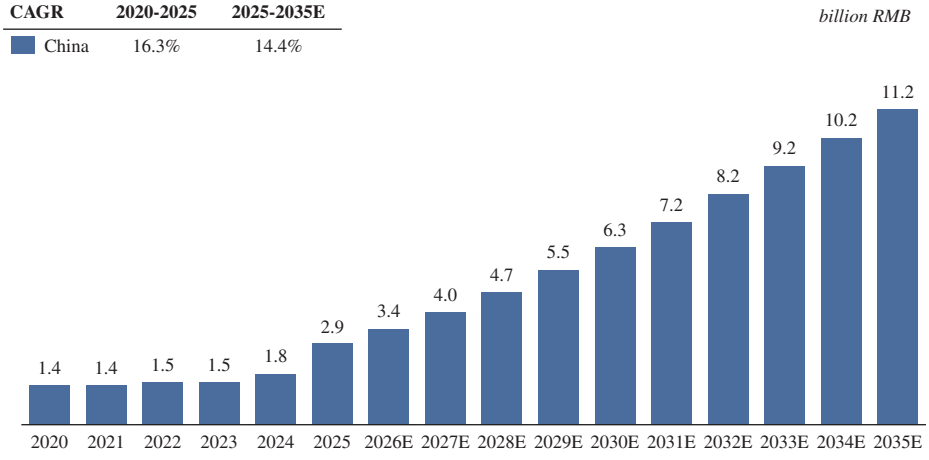
Market Size of IgAN Drugs

The chart below shows the global market size for IgAN drugs.



Source: Clinical Kidney Journal, Nephrology, CIC

The chart below shows China's market size for IgAN drugs.



Competitive Landscape of IgAN Drug Market

As of the Latest Practicable Date, there were five approved drugs for IgAN globally, three of which were approved in China, as set forth in the table below.

Overview of approved drugs for IgAN globally

INN[1]	Brand name	Company	FDA approval date	NMPA approval date	MoA	Target	Dosage	24h uPCR reduction[3] from baseline	Monthly cost
Atrasentan	Vanrafia®	Novartis	• 2025-04	• 2025-08	• Hemodynamic	• EDNRA	• 0.75 mg PO QD	• -38% (36w)	• ~14,000 USD
Iptacopan	Fabhalta®	Novartis	• 2023-12	• 2025-09	• Complement pathway	• CFB	• 200 mg PO BID	• -48% (36w)	• ~45,000 USD
Sparsentan	Filspari®	Travere Therapeutics	• 2023-02	• /	• Hemodynamic	• ENDRA /AT1R	• 200~400 mg PO QD	• -45% (36w)	• ~12,000 USD
Budesonide	Tarpeyo® /Nefecon®	Asahi Kasei/ Everest Medicines	• 2021-12	• 2023-11	• Corticosteroid	• /	• 16mg PO QD	• -27% (9 months)	• ~18,000 USD
Sibprenlimab	Voyxact®	Ostuka Pharmaceuticals	• 2025-11	• 2026-06	• B-cell depletion	• APRIL	• 400 mg SC, Q4W	• -51.2% (9m)	• ~30,000 USD
Telitacicept	泰爱®	RemeGen	• /	• 2026-06	• B-cell depletion	• BAFF/ APRIL	• 240 mg SC QW	• -55% (ph3, 39w)	• /

Notes: 1. International Nonproprietary Name; 2. Monthly cost calculated based on US WAC (WAC price represents the manufacturer's published catalog or list price for a drug product to wholesalers as reported to third-party drug pricing publishers); 3. placebo adjusted 24h uPCR reduction data from drug labels

Source: NMPA, FDA, EMA, PMDA, Drug labels, CIC

As of the Latest Practicable Date, there were eight drug candidates in the Phase III stage or beyond for IgAN with active global trials, as set forth in the table below. The MOA of those drug candidates primarily include B-cell depletion and inhibition of complement activation.

Pipelines of clinical phase III or above for IgAN globally

Drug Name	Target	Sponsor	Phase	First Posted Date	24h uPCR reduction[1] from baseline	Trial Location
Atacicept	APRIL; BAFF	Vera Therapeutics	BLA	2025/11/07	• -42% (ph3, 36w)	China; US
Sefaxersen	CFB	Roche	III	2023/04/04	• -44%[2] (ph2, 29w)	China; US; Others
Zigakibart	APRIL	Chinook/SanReno Norvatis	III	2023/05/10	• -34.2%[2] (ph1/2, 28w)	China; US; Others
Ravulizumab	C5	Alexion Pharmaceuticals AstraZeneca	III	2024/03/04	• -38.3% (ph3, 36w)	China; US; Others
Povetacicept	APRIL; BAFF	Alpine Immune Sciences Vertex	III	2024/08/21	• -66%[2] (ph2, 48w)	China; US; Others
Felzartamab	CD38	Human Immunology Biosciences Biogen	III	2025/04/20	• -39.1% (ph2a, 9 months)	China; US; Others
Mezagitamab	CD38	Takeda	III	2025/05/09	• -54.1%[2] (ph1b, 48w)	China; US; Others
BHV-1400	ASGPR; Gd-IgA1	Biohaven	III	2026/06/11	• N/A	US

Notes: 1. Placebo adjusted 24h uPCR (Urine Protein Creatinine Ratio) reduction from baseline; 2. Single-arm trial, not adjusted for placebo

Source: Clinicaltrials.gov, CDE, CIC

As of the Latest Practicable Date, there was no IgA protease drug candidate for IgAN in the clinical development stage, and AP308 was the only IgA protease that will soon enter clinical development.

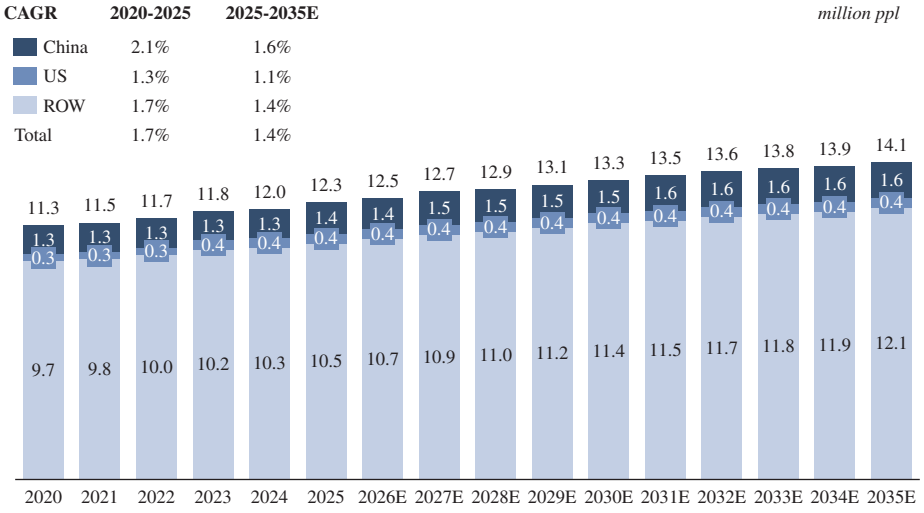
OVERVIEW OF AUTOSOMAL DOMINANT POLYCYSTIC KIDNEY DISEASE ("ADPKD") MARKET

Introduction to ADPKD

ADPKD is a hereditary kidney disorder, primarily caused by mutations in two genes, PKD1 and PKD2. These mutations may lead to the loss of intracellular inhibitory signaling and progressive enlargement of renal cysts, and eventually result in the renal function impairment.

Prevalence of ADPKD

The chart below shows the global prevalence of ADPKD.



Source: American Journal of Kidney Diseases, Journal of Human Genetics, Kidney Diseases, Kidney360, CIC

Current Treatment Paradigms and Medical Needs

Current management and treatment methods for ADPKD include dietary and lifestyle interventions, drug therapy aiming to slow ADPKD progression, pharmacological control of ADPKD's symptoms, as well as patient education and psychological care. However, there is currently no curative treatment for ADPKD. Besides, there is a lack of therapies that directly target the mechanisms of ADPKD development and cyst growth.

Competitive Landscape of ADPKD Drug Market

As of the Latest Practicable Date, tolvaptan was the only approved drug for ADPKD globally. Since its first FDA approval in 2018 for ADPKD, tolvaptan has generated substantial sales globally, reaching over US$1.5 billion in 2023. Historically, there has been limited research and development of ADPKD treatments. As of the Latest Practicable Date, four drug candidates for ADPKD were in the Phase II stage or beyond with active global trials. AP303 developed by our Company, is expected to enter the Phase II clinical trials soon.

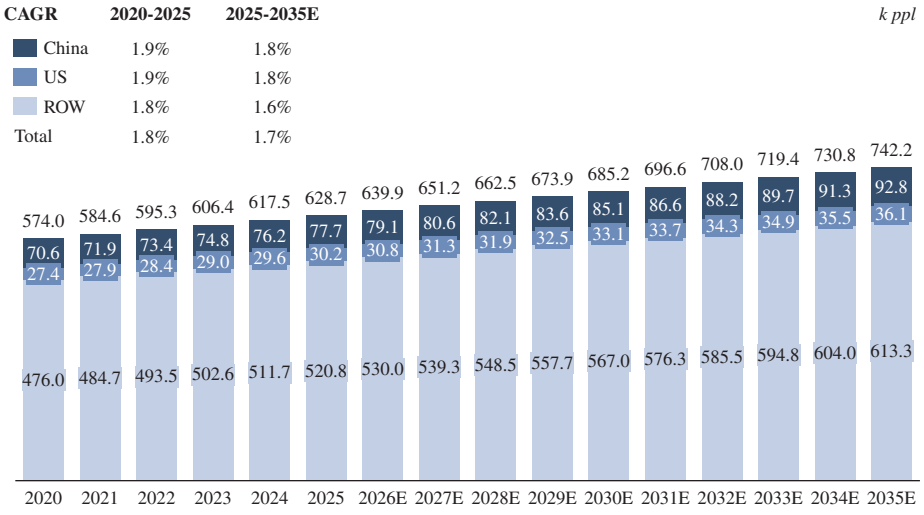
OVERVIEW OF FOCAL SEGMENTAL GLOMERULOSCLEROSIS ("FSGS") MARKET

Introduction to FSGS

FSGS is a disease in which the scar tissue develops on the glomeruli. The injury of podocytes (a key component of the glomerular filtration barrier) is considered a primary cause of FSGS. FSGS commonly manifests with nephrotic-range proteinuria and edema, and may eventually develop into ESRD. FSGS can be divided into three types based on etiology. Primary FSGS, also known as idiopathic FSGS, has no known cause for the disease conditions. Secondary FSGS is caused by adaptive responses (*e.g.,* obesity), drugs and infections. Genetic FSGS is caused by hereditary mutations in podocyte-related genes.

Prevalence of FSGS

The chart below shows the global prevalence of FSGS.



Source: American Journal of Kidney Diseases, Journal of Human Genetics, Kidney Diseases, Kidney360, CIC

Current Treatment Paradigms and Medical Needs

For primary FSGS patients with the nephrotic syndrome (a collection of symptoms due to kidney damage), glucocorticoid is the major treatment. For steroid-resistant primary FSGS patients, calcineurin inhibitor ("**CNI**") is the major treatment. Cyclophosphamide, rituximab and mycophenolate mofetil are used for FSGS patients with CNI failure, intolerance or contraindications.

However, the current treatment methods for FSGS are subject to multiple safety, efficacy and accessibility issues. Long-term exposure to glucocorticoids may lead to resistance, drug dependence or other side effects. The use of CNI can be costly and cause nephrotoxicity that accelerates CKD progression, and the efficacy of CNI is limited in patients with interstitial fibrosis or vascular lesions. Cyclophosphamide can temporarily lower the blood level of white blood cells, thereby increasing the chance of getting an infection. Rituximab may cause infusion-related reactions, which can be life-threatening and require immediate medical attention. Mycophenolate mofetil may weaken the immune system and increase the risk of developing rare and serious virus infections.

Competitive Landscape of FSGS Drug Market

As of the Latest Practicable Date, Sparsentan was approved by the FDA for reducing proteinuria in patients aged eight years and older with FSGS without nephrotic syndrome in April 2026. As of the same date, there were over ten FSGS drug candidates in the Phase II stage or beyond globally. In addition, AP303 from Alebund will soon enter the Phase II stage, which is expected to fulfill the large unmet medical needs in this area.

In May 2025, Travere announced the FDA's acceptance of sNDA for sparsentan in FSGS based on its phase III pivotal trial which used proteinuria as a surrogate endpoint. FDA may consider potentially using proteinuria level as a surrogate endpoint for FSGS.

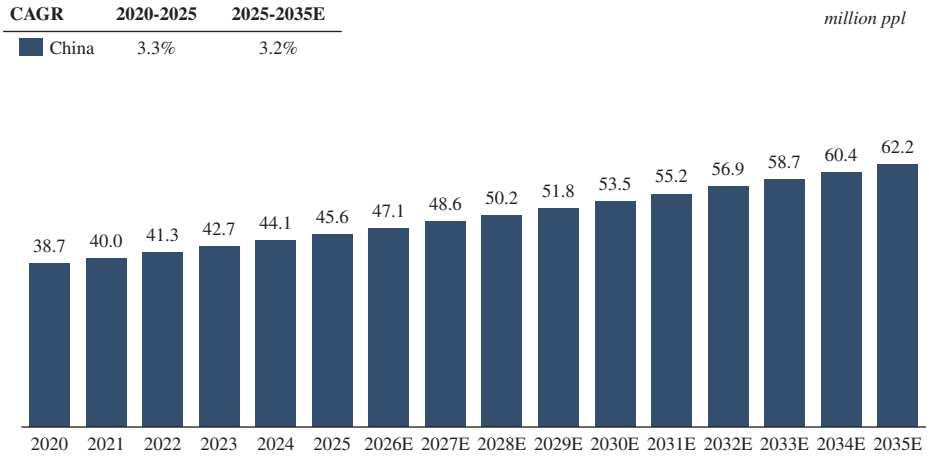
OVERVIEW OF RENAL ANEMIA MARKET

Introduction to Renal Anemia in CKD Patients

Renal anemia is a common complication of CKD, where CKD patients have red blood cell count that is lower than normal level.

Prevalence of Renal Anemia

The chart below shows the prevalence of renal anemia in China.



Source: NIDDK, USRDS, The lancet, JAMA, Clinical and Experimental Nephrology, CIC

Current Treatment Paradigm

Current treatment approaches to renal anemia include injectable erythropoiesis-stimulating agents ("**ESAs**"), intravenous ("**IV**") or oral administration of iron, as well as oral hypoxia-inducible factor prolyl hydroxylase ("**HIF-PH inhibitors**"). ESAs function by stimulating the production of red blood cells; IV or oral administration of iron works by replacing iron stores directly; and HIF-PH inhibitors act by stimulating the production of endogenous erythropoietin. ESAs are prescribed with individualized dose adjustments to maintain hemoglobin within the target range. IV or oral irons are prescribed based on the iron status in patients. For ESA-hyporesponsive patients, HIF-PH inhibitors may be considered after risk-benefit evaluation.

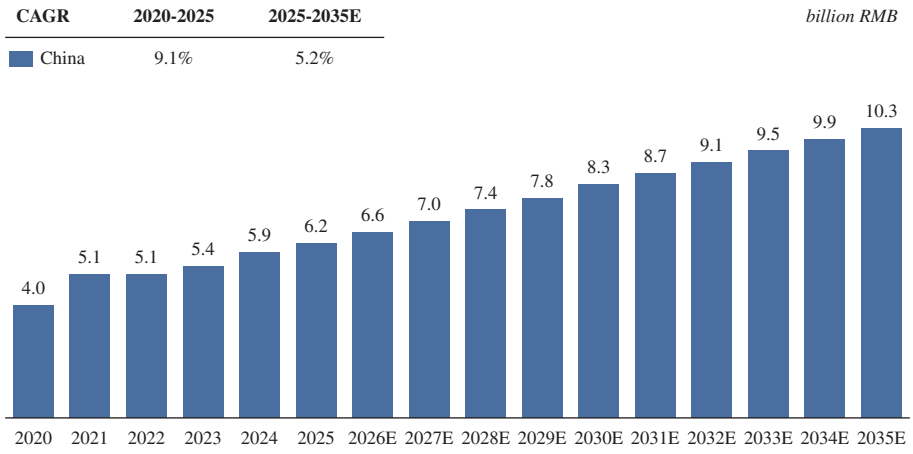
HIF-PH inhibitors have emerged as an oral treatment option for renal anemia, in addition to ESAs. Compared with ESAs, HIF-PH inhibitors may offer greater convenience through oral administration and may improve iron utilization by regulating the hypoxia-inducible factor pathway. However, their use remains subject to patient characteristics, dialysis status, safety profile, reimbursement coverage and physician judgment. In China, roxadustat was approved in December 2018 for anemia in dialysis-dependent CKD patients and in August 2019 for anemia in non-dialysis-dependent CKD patients. Enarodustat was approved in June 2023 for anemia in adult non-dialysis CKD patients, and its indication was expanded in September 2025 to adult dialysis CKD patients. Roxadustat was also included in China's eleventh round of national volume-based procurement in 2025, which may improve affordability and access while increasing price competition in this class.

Among all the available treatment approaches, ESA is recommended as first-line therapy for CKD-related anemia with clear advantages over the others, as ESA can significantly reduce the need for transfusion and anemia-related symptoms in CKD patients. IV or oral administration of iron is subject to potential infusion reactions, GI intolerance, slow hemoglobin correction, reduced absorption of iron in CKD patients, and need of avoiding interactions with certain drugs/food. For

HIF-PH inhibitors, though they are comparable or superior to ESAs in raising the hemoglobin level, there are concerns about cardiovascular outcomes, thrombotic events, and tumor progression. Such concerns have prevented HIF-PH inhibitors from being widely approved for clinical use. Also, the long-term safety of HIF-PH inhibitors has not been fully demonstrated yet.

Market Size of Renal Anemia Drugs in China

The chart below shows the market size of renal anemia drugs in China. In China, long-acting ESAs represented less than 5% of the market in 2025, compared with approximately 50% in the U.S. and 80% in Japan.



Source: Clinical Kidney Journal, Nephrology, CIC

Competitive Landscape of Renal Anemia Drug Market

As of Latest Practicable Date, there were four approved long-acting ESAs for the treatment of renal anemia, all of which have been approved in China, as set forth in the table below. MIRCERA® is the first approved once monthly long-acting EPO.

Overview of approved long-acting ESA for renal anemia in China

INN[1]	Brand name	Company	Approval date	MoA	Target	Dosage	Monthly cost[2]	NRDL status[3]
Methoxy Polyethylene Glycol-Epoetin Beta	MIRCERA® 美信羅®	Roche/Alebund	• NMPA: 2018-07	• EPO	• EPOR	• 0.6 μg/kg SC/IV QM	• ~460 RMB	• NRDL listed
Darbepoetin alfa	ARANESP® 耐斯寶®	Amgen/Kyowa Kirin	• NMPA: 2020-06	• EPO	• EPOR	• 20 μg SC/IV QW or 40 μg SC/IV Q2W	• ~460 RMB	• NRDL listed
Pegmolesatide	聖羅萊®	Hansoh	• NMPA: 2023-06	• PEG-EMP	• EPOR	• 0.04 mg/kg SC Q4W	• ~780 RMB	• NRDL listed
Recombinant erythropoiesis stimulating protein injection	新比澳®	3S Bio	• NMPA: 2026-03	• EPO	• EPOR	• 5~150 μg SC Q2W	• /	• /

Notes: 1 International Nonproprietary Name; 2 Monthly cost calculated based on NRDL price 3 refers to whether the underlying indications of a drug are included in NRDL in China

Source: NMPA, FDA, EMA, PMDA, Company website, CIC

REPORT COMMISSIONED BY CHINA INSIGHTS CONSULTANCY

In connection with the [**REDACTED**], we have engaged China Insights Industry Consultancy Limited ("**CIC**") to conduct a detailed analysis and to prepare an industry report on the major markets for which our drug candidates are positioned (the "**CIC Report**"). CIC is an independent global market research and consulting company founded in 2014 and is based in China. We have agreed to pay CIC a total fee of approximately RMB810,000 for the preparation of the CIC Report, and we believe that such fee is consistent with the market rate. The payment of such amount was not contingent upon our successful [**REDACTED**] or on the content of the CIC Report. Except for the CIC Report, we did not commission any other industry report in connection with the [**REDACTED**]. We confirm that after taking reasonable care, there has been no adverse change in the market information since the date of the report prepared by CIC which may qualify, contradict or have an impact on the information set forth in this section in any material respect.

The market projections in the CIC Report were based on the following key assumptions: (i) the overall social, economic and political environment globally and in China is expected to remain stable during the forecast period; (ii) the economic and industrial development globally and in China is likely to maintain a steady growth trend over the next decade; (iii) related key industry drivers are likely to continue driving the growth of the market during the forecast period; and (iv) there is no extreme force majeure or industry regulation in which the market may be affected dramatically or fundamentally. The reliability of the CIC Report may be affected by the accuracy of the foregoing key assumptions, including those used to make future projections.

OVERVIEW OF PRC LAWS, REGULATIONS AND REGULATORY DEPARTMENTS

Core Regulatory Authorities

Authority	Core Responsibilities
National Medical Products Administration ("NMPA") . .	Drawing up the laws and regulations related to pharmaceuticals and medical devices, making policy planning, formulating departmental regulations, organizing the development and issuance of pharmaceutical and medical device standards, classification and management systems, such as national formulary, and supervising the implementation.
Center for Drug Evaluation of NMPA ("CDE").	The technical evaluation unit for drug registration under NMPA. It is mainly responsible for conducting technical evaluation on the drugs applying for registration and verifying the relevant drug registrations.
National Health Commission ("NHC")	Drafting national health policies, supervising and regulating public health, healthcare services and health emergency systems, coordinating the reform of medical and health system, organizing the formulation of national drug policies and national essential medicine system, launching an early warning mechanism for the monitoring of the use and clinical comprehensive evaluation of medicine as well as the drug shortage, giving suggestions on the pricing policy of national essential medicine, and regulating the operation of medical institutions and practicing of medical personnel.
National Institutes for Food and Drug Control ("NIFDC")	It is responsible for the approval and registration inspection, import inspection, supervision and inspection, safety evaluation of drugs, biological products, medical devices, foods, dietary supplements, cosmetics, laboratory animals and package materials and the batch release of biological products, the research, distribution and management of the national drug and medical device reference materials and bacterial and viral strains for production verification, as well as the relevant technical research.
National Development and Reform Commission ("NDRC").	participating in the formulation of health development policies, the establishment of technical reform investment projects, the macro guidance and management of the economic operation of pharmaceutical enterprises, and the supervision of the implementation of relevant policies and regulations.
National Healthcare Security Administration ("NHSA") . .	formulating and organizing the implementation of policies, plans and standards for medical insurance, maternity insurance, medical aid and other medical security systems, organizing the formulation and adjustment of prices and charging standards for drugs and medical services, and formulating and supervising the implementation of the bidding and procurement policies for drugs and medical consumables.

Regulations on the Research and Development and Manufacturing Services of Drugs

Research and Development of Drugs

Research and Development of New Drugs

According to the Drug Administration Law of the PRC (《中華人民共和國藥品管理法》) (the "**Drug Administration Law**") and the Implementation Regulations for the Drug Administration Law of the PRC (《中華人民共和國藥品管理法實施條例》) (the "**Implementation Regulations**"), the PRC encourages the research and development of new drugs, and protects the legal rights and interests in the research and development of new drugs. The developer and clinical trial applicant of any new drug shall truthfully submit the new drug's manufacturing method, quality specifications, results of pharmacological and toxicological tests and the related data, documents and samples to the NMPA for approval before any clinical trial is conducted.

Non-clinical Research

The NMPA requires preclinical data to support registration applications for imported and domestic drugs. According to the Administrative Measures for Drug Registration (《藥品註冊管理辦法》), non-clinical safety research shall be carried out in an institution that has passed the certification of the Good Laboratory Practice of Non-clinical Laboratory and comply with the Administrative Measures for Good Laboratories Practice of Non-clinical Laboratory (《藥物非臨床研究質量管理規範》) (the "**GLP**"). The GLP has been promulgated to improve the quality of non-clinical safety evaluation and research. Pursuant to the Administrative Measures for Certification of Good Laboratory Practice for Non-clinical Laboratory (2023 Amendments) (《藥物非臨床研究質量管理規範認證管理辦法》(2023年修訂)), the NMPA is responsible for the certification of non-clinical safety evaluation and research institutions nationwide and local provincial drug administrative department is in charge of the daily supervision of non-clinical safety evaluation and research institution.

Animal Testing

According to the Administrative Measures on Good Practice of Experimental Animals (《實驗動物質量管理辦法》), performing experimentation on animals requires a certificate for use of laboratory animals.

Application for Clinical Trial

According to the Decision on Adjusting the Approval Procedures of Certain Administrative Approval Items for Drugs (《關於調整部分藥品行政審批事項審批程序的決定》), drug clinical trials shall be divided into Phase I clinical trial, Phase II clinical trial, Phase III clinical trial, Phase IV clinical trial, and bioequivalence trial.

In accordance with the Administrative Measures for Drug Registration and the Announcement on Adjusting Evaluation and Approval Procedures for Clinical Trials for Drugs (《關於調整藥物臨床試驗審評審批程序的公告》), where an application is filed for carrying out clinical trials, if an applicant does not receive any negative or questioned opinions from the CDE within 60 days after the date when the trial application is accepted and the fees are paid, the applicant can proceed with the clinical trial in accordance with the trial protocol submitted to the CDE.

Conducting Clinical Trial

After obtaining clinical trial approval, the applicant shall conduct clinical trials at qualified clinical trial institutions. The qualified clinical trial institution refers to institutions that have the conditions to conduct clinical trials in accordance with the requirements and technical guidelines set forth in the Regulations for the Administration of Drug Clinical Trial Institutions (《藥物臨床試驗機構管理規定》). Such clinical trial institutions shall be subject to filing requirements, with the exception of institutions that only engage in analysis of biological samples related to drug clinical trials, which shall not be subject to such filing requirements. Clinical trials must be conducted in accordance with the Good Clinical Practice for Drug Trials (《藥物臨床試驗質量管理規範》).

According to the Announcement on Adjusting Evaluation and Approval Procedures for Clinical Trials for Drugs (《關於調整藥物臨床試驗審評審批程序的公告》), where the application for clinical trial of new investigational drug has been approved, upon the completion of Phases I and II clinical trials and prior to Phase III clinical trial, the applicant shall submit the application for communication meetings to CDE to discuss with CDE the key technical questions including the design of Phase III clinical trial protocol.

According to the Administrative Measures for Communication on the Research, Development and Technical Evaluation of Drugs (《藥物研發與技術審評溝通交流管理辦法》), during the research and development periods and in the registration applications of, among others, the innovative new drugs, the applicants may propose to conduct communication meetings with the CDE.

Overseas Clinical Trial

On January 30, 2015, the NMPA promulgated the Guidelines for International Multi-Center Clinical Trials of Drugs (for Trial Implementation) (《國際多中心藥物臨床試驗指南(試行)》) to guide the application, implementation and administration of international multi-center drug clinical trials in China. When the data of international multi-center drug clinical trials are used to support the drug registration applications in China, a further trend analysis concerning clinical trial data in China and Asia shall be conducted after an overall review of global clinical trial data, during which the consistency of characteristics between subjects in the study and subjects in China shall be considered. The sample size of Chinese subjects shall be sufficient to evaluate and infer the safety and effectiveness and meet the requirements of statistics and relevant laws and regulations. Also, both domestic and overseas centers involved in the international multi-center clinical trial are subject to on site inspection organized by PRC drug administrative departments.

According to the Opinions on Deepening the Reform on Examination and Approval System and Encouraging the Innovation of Drugs and Medical Devices (《關於深化審評審批制度改革鼓勵藥品醫療器械創新的意見》) (the "**Innovation Opinions**"), the clinical trial data obtained from overseas multi-centers may be used to apply for drug registration in China if they meet the relevant requirements for the drug registration in China. For drugs that apply for a New Drug Application (NDA) for the first time in China, the applicant for registration shall provide clinical trial data on whether there are ethnic differences (if any).

According to the Announcement on Promulgation of the Guiding Technical Principles for the Acceptance of Overseas Clinical Trial Data of Drugs (《關於發佈<接受藥品境外臨床試驗數據的技術指導原則>的通告》), if drug registration applicants use overseas clinical trials for drug registration applications in China, all overseas clinical trial data shall be provided, rather than selectively. If drug registration applicants plan to carry out follow-up clinical research and development following the early overseas clinical trials, they shall evaluate the early clinical trial data and only after having obtained complete clinical trial data and communicated with the CDE, these data could be used to support the follow-up clinical trials.

Gathering, Collection and Filing of Human Genetic Resources

Pursuant to the Service Guide for Administrative Licensing of Gathering, Collection, Deal, Export and Exit Approval of Human Genetic Resources (《人類遺傳資源採集、收集、買賣、出口、出境審批行政許可事項服務指南》), the gathering and collection of human genetic resources through clinical trials by a foreign-invested sponsor shall file for the record with the China Human Genetic Resources Management Office through an online system. The Regulations on the Management of Human Genetic Resources of the PRC (《中華人民共和國人類遺傳資源管理條例》) regulates the collection, preservation, utilization and external provision of human genetic resources in China. Foreign organizations, individuals and institutions established or actually controlled by them shall not gather or preserve Chinese human genetic resources in China, or provide Chinese human genetic resources to foreign countries. Where a foreign entity needs to use Chinese human genetic resources to conduct scientific research activities or clinical trials, it shall cooperate with Chinese scientific research institutions, institutions of higher education, medical institutions or enterprises.

The Administrative Regulation on Human Genetic Resources (《人類遺傳資源管理條例實施細則》) further provided specific provisions on the collection, preservation, utilization and external provision of human genetic resources of the PRC.

According to the Bio-security Law of the PRC (《中華人民共和國生物安全法》), the competent health department under the State Council shall be the competent authority for the approval or filing of using China's human genetic resources.

New Drug Application, Approval and Renewal

According to the Administrative Measures for Drug Registration (《藥品註冊管理辦法》), an applicant shall, upon completion of studies including pharmacy, pharmacology and toxicology and clinical trial of drugs which support the registration of drug marketing, determination of quality standards, and verification of commercial scale manufacturing processes, and preparation to undergo examination and inspection for drug registration, submit an application for drug marketing authorization, and submit the relevant research materials in accordance with the submission requirements. The CDE shall organize pharmacist, medical and other technical personnel to comprehensively review the application regarding the safety, effectiveness and quality control of the drug. Where the application is approved by the comprehensive review, the drug shall be approved for marketing and a drug registration certificate shall be issued.

According to the Special Approval Procedures for Drugs of the China Food and Drug Administration (《國家食品藥品監督管理局藥品特別審批程序》), the NMPA may initiate special approval procedures for certain drugs needed in response to public health emergencies.

According to the Working Procedures for the Evaluation of Breakthrough Therapy Designation Drugs (for Trial Implementation) (《突破性治療藥物審評工作程序(試行)》), during the clinical trials of a drug, for innovative drugs or improved new drugs for the prevention and treatment of diseases that are life-threatening or severely affect the quality of life, and there is no effective prevention and treatment method or sufficient evidence demonstrating significant clinical advantages over current therapies, the applicant may apply for the breakthrough therapy designation process during the Phase I or Phase II clinical trial (generally no later than Phase III clinical trial).

Meanwhile, according to the Working Procedures for the Prioritized Review and Approval of Drug Marketing Authorization (for Trial Implementation) (《藥品上市許可優先審評審批工作程序(試行)》) and the Announcement on Matters concerning the Optimization of Drug Registration Review and Approval (《關於優化藥品註冊審評審批有關事宜的公告》), a drug marketing authorization holder may apply for prioritized review and approval for drugs included in the breakthrough therapy designation process.

The CDE will prioritize the allocation of resources for review, inspection, examination and approval of registration applications that have been included in the scope of priority evaluation and approval to speed up the review and approval progress.

The Administrative Measures for Drug Registration provides more detailed standards, procedures and policy support for different expedited drug marketing authorization pathways, including breakthrough therapy designation, conditional approval, prioritized review and approval and special approval procedures.

Pursuant to the Drug Administration Law, an applicant who has obtained a drug registration certificate shall be recognized as a drug marketing authorization holder, responsible for non-clinical laboratory studies, clinical trials, production and distribution, post-market studies, and the monitoring, reporting and handling of adverse reactions in connection with pharmaceuticals in accordance with the provisions of the Drug Administration Law. The drug marketing authorization holder may engage in manufacturing or sales on its own or entrust a licensed third party. According to the Administrative Measures for Drug Registration, at the time of application for drug marketing authorization, the applicant and the manufacturing enterprise shall have held the corresponding pharmaceutical manufacturing permit.

Pursuant to the Administrative Measures for Drug Registration, the validity period of a drug registration certificate shall be five years. The drug marketing authorization holder of the drug registration certificate shall ensure the safety, effectiveness and quality control of the marketed drug at all times during the validity period of the certificate and apply for re-registration of the drug six months before the expiry of such validity period. After the drug re-registration application is accepted, the local provincial-level drug regulatory authorities or the CDE shall conduct post-marketing reevaluation and adverse reaction monitoring on the drug marketing authorization holder, carry out relevant work in accordance with the drug approval documents and the requirements of the drug regulatory authorities, and review all material changes based on the information stated in the drug approval documents.

Drug Manufacturing

According to the Administrative Measures on Supervision of Pharmaceutical Manufacturing (《藥品生產監督管理辦法》), all facilities that manufacture drugs in China must apply for a pharmaceutical manufacturing permit which is issued by the provincial drug supervision and administration department, autonomous region or municipality directly under the central government where it is domiciled. The drug marketing authorization holder who entrusts another party to produce preparations shall meet the requirements as specified in Administrative Measures on Supervision of Pharmaceutical Manufacturing, sign an entrustment agreement and a quality agreement with a qualified drug producer, and submit the relevant agreements and the application materials of the actual production site to the provincial drug supervision and administration department where the drug marketing authorization holder is located to apply for the pharmaceutical manufacturing permit. According to the Administrative Measures for Drug Registration, when an application for marketing authorization is submitted, the applicant and the drug manufacturer shall have obtained the corresponding pharmaceutical manufacturing permit.

These drug manufacturing facilities shall comply with drug manufacturing quality management norms, establish a sound drug manufacturing quality management system and ensure the whole drug manufacturing process continuously comply with statutory requirements. The drug marketing authorization holder shall establish a quality assurance system for pharmaceuticals, and employ designated personnel to be independently in charge of quality control for pharmaceuticals.

Drug Operation

According to the Measures for the Supervision and Administration of the Quality of Drug Operation and Use (《藥品經營和使用質量監督管理辦法》), operation of drug business, including drug wholesale and drug retail, is prohibited without a drug business permit.

According to the Good Manufacturing Practice for Pharmaceutical Products (2010 Revision) (《藥品生產質量管理規範(2010年版)》), drug business operators shall comply with the drug operation quality management norms, establish and improve their drug operation quality management system, and ensure that the whole drug business process continuously comply with statutory requirements.

In China, governmental pricing controls on drugs (other than narcotic and certain psychiatric drugs) have been lifted since June 2015 when the Opinions on Advancing Drug Price Reform (《推進藥品價格改革意見》) came into effect. Instead of direct governmental controls, the government exercises control over the drugs through establishing a centralized tender process or centralized procurement mechanism, revising the National Medical Insurance Drug Catalogue or provincial medical insurance drug catalogue and strengthening regulation of medical and pricing practices. Also, according to the Opinions of the State Council on the Reform of Review and Approval System for Drugs and Medical Devices (《國務院關於改革藥品醫療器械審評審批制度的意見》), enterprises which apply for the registration of new drugs shall promise that the prices of their products on the PRC market shall not be higher than the comparable market prices in original countries or the surrounding area of the PRC.

Regulations on Dual Invoicing System

According to the Implementing Opinions on Promoting the "Dual Invoicing System" for Drug Procurement by Public Medical Institutions (for Trial Implementation) (《關於在公立醫療機構藥品採購中推行"兩票制"的實施意見(試行)》) (the "**Dual Invoicing System Notice**"), the dual invoicing system refers to a system that requires one invoice to be issued from pharmaceutical manufacturers to pharmaceutical distributors and the other invoice to be issued by pharmaceutical distributors to medical institutions.

Monitoring Period of New Drugs

According to the Implementation Regulations for the Drug Administration Law of the PRC, the NMPA may impose an administrative monitoring period of up to five years on newly approved drugs to safeguard public health, during which the safety of such new drugs shall undergo continuous monitoring. No other manufacturer may produce or import such new drugs during the monitoring period.

Drug Advertisements

The Advertising Law of the PRC (《中華人民共和國廣告法》) outlines the regulatory framework for the advertising industry. Advertisers, advertising service providers and advertising publishers are required to ensure that the contents of the advertisements they prepare or distribute are true and in full compliance with applicable laws and regulations. For advertisement of drugs, the advertisement contents shall be examined by the relevant authorities prior to the publication. Pursuant to the Interim Administrative Measures for the Review of Advertisements for Drugs, Medical Devices, Health Food and Formula Food for Special Medical Purposes (《藥品、醫療器械、保健食品、特殊醫學用途配方食品廣告審查管理暫行辦法》), advertisements for drugs shall not contain any false or misleading contents. Advertisers shall be responsible for the veracity and legitimacy of the contents of advertisements for drugs, medical devices, health food and formula food for special medical purposes.

Drug Recalls

According to the Measures for Administration of Drug Recall (《藥品召回管理辦法》), a marketing authorization holder shall establish and improve its drug recall system by collecting relevant information about drug safety and conducting investigation and evaluation with respect to the drugs with potential safety hazards. If there are any potential safety hazards that endanger human health and life in respect of any drugs sold in the PRC, such manufacturer must start the drug recall procedures.

Regulations on Medical Insurance Systems

The General Office of the State Council further released the Guidance of the General Office of the State Council on Further Deepening the Reform of the Payment Method of Basic Medical Insurance (《國務院辦公廳關於進一步深化基本醫療保險支付方式改革的指導意見》) in June 2017. The main objectives are to implement a diversified reimbursement mechanism including diagnosis related groups, per-capita caps, and per-bed-day caps. Local administration of healthcare security will introduce a total budget control for their jurisdictions and decide the amount of reimbursement to public hospitals based on hospitals' performance and the spending targets of individual basic medical insurance funds.

Regulations on Product Liability

According to the Product Quality Law of the PRC (《中華人民共和國產品質量法》), a manufacturer shall be liable for compensating for any personal injury or property damage.

Pursuant to the Civil Code of the PRC (《中華人民共和國民法典》), where a patient suffers damage due to defects in drugs, the patient may seek compensation from the drug marketing authorization holder or the medical institution. Where the patient seeks compensation from the medical institution, the medical institution, after it has made the compensation, shall have the right to recover the compensation from the liable drug marketing authorization holder.

Laws and Regulations on Anti-Unfair Competition

According to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) (the "**Anti-Unfair Competition Law**"), operators shall abide by the principle of voluntariness, equality, impartiality, integrity and adhere to laws and business ethics during market transactions. Operators in violation of the Anti-Unfair Competition Law shall bear corresponding civil, administrative or criminal liabilities depending on the specific circumstances.

According to the Regulations on the Establishment of Adverse Records with Respect to Commercial Briberies in the Medicine Purchase and Sales Industry (《關於建立醫藥購銷領域商業賄賂不良記錄的規定》), where the production and operation enterprises of drugs, medical devices and medical disposables, as well as their agencies and individuals bribe the staff of medical institutions responsible for the procurement and use of their drugs, medical devices and medical disposables with property or other benefits, they shall be listed in the adverse records of commercial bribery provided such conduct falls within the circumstances specified in the aforementioned regulations. If medical production and operation enterprises are listed in the adverse records of commercial bribery for more than once in five years, their products shall not be purchased by public medical institutions, and shall not be purchased by medical and health institutions receiving financial subsidies nationwide for two years from the date of the record's publication.

Regulations on Company Establishment and Foreign Investment

Company Law

The establishment, operation and management of corporate entities in the PRC is governed by the Company Law of the PRC (《中華人民共和國公司法》) (the "**PRC Company Law**").

The shareholders' meeting is the authority of the company, which exercises its powers in accordance with the PRC Company Law.

Foreign Investment Law and Relevant Catalogue of Industries

According to the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》), the organizational form, structure, and operations of foreign-invested enterprises are subject to the Company Law and other applicable laws and regulations. Foreign investors or foreign-funded enterprises shall report investment information to the commerce departments through the enterprise registration system and the enterprise credit information publicity system.

According to the Regulation for Implementing the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) and the MOFCOM and the Foreign Investment Access Special Management Measures (Negative List) (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》), China adopts the management system of pre-establishment national treatment and negative list for foreign investment. Foreign investors shall not invest in any field prohibited by the negative list for foreign investment access. Foreign investors shall meet the investment conditions stipulated under the negative list for any field with investment restricted by the negative list for foreign investment access. For the fields not included in the negative list for foreign investment access, management shall be conducted under the principle of consistency for domestic and foreign investment.

Regulations on Intellectual Property Rights

Trademark Law

According to the Trademark Law of the PRC (《中華人民共和國商標法》) and the Implementation Regulations for the PRC Trademark Law (《中華人民共和國商標法實施條例》), the trademark registrants shall enjoy the exclusive right to use the marks, which shall be protected by law. The Trademark Law of the PRC has adopted the "first-to-file" principle with respect to trademark registration.

Patent Law

According to the Patent Law of the PRC (《中華人民共和國專利法》) and the Implementation Regulations for the Patent Law of the PRC (《中華人民共和國專利法實施細則》), the patent right entitled to its owner shall be protected by the laws. Unauthorized exploitation of a patent may constitute infringement, subject to applicable exceptions under the law, such as experimental use, Bolar exception, prior use rights, or compulsory licensing.

Trade Secret

According to the Anti-Unfair Competition Law, the term "trade secrets" refers to technical and business information that is unknown to the public, has utility, may create business interests or profits for its legal owners or holders, and is maintained as a secret by its legal owners or holders. Under the Anti-Unfair Competition Law, business operators are prohibited from infringing others' trade secrets. The parties whose trade secrets are being misappropriated may petition for administrative corrections, and regulatory authorities may stop any illegal activities and impose fines on the infringing parties.

Domain Names

According to the Administrative Measure for Internet Domain Names (《互聯網域名管理辦法》), the domain name services follow a "first come, first file" principle. Use of domain names by providers of internet information services shall comply with laws and regulations and the relevant provisions of the telecommunication administrative authorities and shall not use a domain name to carry out illegal acts.

Regulations on Tax

Enterprise Income Tax

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) and the Implementation Regulations for the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), the Enterprise Income Tax Law applies a uniform 25% enterprise income tax rate to both foreign-invested enterprises and domestic enterprises, except where tax incentives are granted to special industries and projects. However, if non-resident enterprises have not established institutions or premises in the PRC, or have established institutions or premises in the PRC but the income derived has no actual connection with such established institutions or premises, the enterprise income tax is, in that case, set at the rate of 10% for their income sourced from inside the PRC.

In February 2015, the State Administration of Taxation (the "**SAT**") issued the Announcement of the SAT on Several Issues Concerning the Enterprise Income Tax on Indirect Property Transfer by Non-Resident Enterprises (《國家稅務總局關於非居民企業間接轉讓財產企業所得稅若干問題的公告》) (the "**SAT Circular 7**"). According to the SAT Circular 7, an "indirect transfer" of assets, including equity interests in a PRC resident enterprise, by non-PRC resident enterprises may be re-characterized and treated as a direct transfer of PRC taxable assets, if such arrangement does not have a reasonable commercial purpose and was established for the purpose of avoiding payment of PRC enterprise income tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax.

The Announcement of the SAT on Issues Relating to Withholding at Source of Income Tax of Non-resident Enterprises (《國家税務總局關於非居民企業所得税源泉扣繳有關問題的公告》) (the "**SAT Circular 37**"), replaced or supplemented certain previous provisions in the Circular 7. The SAT Circular 37 purports to clarify certain issues in the implementation of the SAT Circular 7 and other regulations, by providing, among others, the definition of equity transfer income and tax basis, the foreign exchange rate to be used in the calculation of withholding amount, and the date of occurrence of the withholding obligation.

Withholding Tax

Pursuant to the Enterprise Income Tax Law and the Implementation Regulations for the Enterprise Income Tax Law, if non-resident enterprises have not established institutions or premises in the PRC, or have established institutions or premises in the PRC but the income derived has no actual connection with such established institutions or premises, they shall be subject to withholding tax on their PRC-sourced income at a rate of 10%. According to the Arrangement between Chinese Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Tax Evasion on Income (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》), dividends repatriated from a PRC entity to its Hong Kong shareholder owning more than 25% of its capital would be entitled to a reduced withholding tax rate of 5% subject to certain conditions.

Value-added Tax

According to the Interim Regulations of the PRC on Value-added Tax (《中華人民共和國增值税暫行條例》) and the Detailed Rules for the Implementation of the Interim Regulations of the PRC on Value-Added Tax (《中華人民共和國增值税暫行條例實施細則》), all entities and individuals in the PRC engaging in sale of goods or labor services of processing, repairing and replacement, sale of services, intangible assets, or immovables, or import of goods are required to pay value-added tax for the added value derived from the process of manufacture, sale or services.

According to the Circular of the MOF and the SAT on Adjusting Value-added Tax Rates (《財政部、國家税務總局關於調整增值税税率的通知》), where a taxpayer engages in value-added tax taxable sales activities or import of goods, the previous applicable value-added tax rates of 17% and 11% are adjusted to be 16% and 10% respectively.

According to the Circular on Policies to Deepen Value-added Tax Reform (《關於深化增值税改革有關政策的公告》), where a general VAT taxpayer engages in VAT-taxable sales activities or import of goods, the previous applicable VAT rates of 16% and 10% have been adjusted to be 13% and 9% respectively.

Regulations on Labor Protection

Labor Law and Labor Contract Law

The Labor Law of the PRC (《中華人民共和國勞動法》) and the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) together stipulate the labor contracts, settlement of labor disputes, labor remuneration, protection of occupational safety and healthcare, social insurance and welfare, etc. Written labor contracts must be entered into for the establishment of an employment relationship between employers and employees. Employers are also required to pay wages no lower than the local minimum wage standards to their employees.

Social Insurance and Housing Provident Funds

The Social Insurance Law of the PRC (《中華人民共和國社會保險法》) governs the PRC social insurance system. It requires employers and/or employees (as the case may be) to register social insurance with competent authorities and contribute the required amount of social insurance funds, including funds for basic pension insurance, unemployment insurance, basic medical

insurance, occupational injury insurance and maternity insurance. Employers who fail to complete social security registration shall be ordered by the social security administrative authorities to make correction within a stipulated period; where correction is not made within the stipulated period, the employer shall be subject to a fine ranging from one to three times the amount of the social security premiums payable, and the directly accountable person (s)-in-charge and other relevant responsible personnel shall be subject to a fine ranging from RMB500 to RMB3,000. Employers who failed to promptly contribute social security premiums in full amount shall be ordered by the social security premium collection agency to make or supplement contributions within a stipulated period, and shall be subject to a late payment fine computed from the due date at the rate of 0.05% per day; where payment is not made within the stipulated period, the relevant administrative authorities shall impose a fine of one to three times the amount in arrears.

According to the Interim Measures for the Participation in Social Insurance of Foreigners Employed in China (《在中國境內就業的外國人參加社會保險暫行辦法》), employers who hire foreigners shall register them for social insurance within 30 days of obtaining employment certificates. Foreigners who participate in social insurance and meet the requirements shall enjoy social insurance benefits in accordance with the law.

Under the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》), an employer shall complete contribution registration with the housing provident fund management center and complete the formalities of opening housing provident fund accounts for its employees. Where an employer fails to complete payment and deposit registration of housing provident fund or fails to go through the formalities of opening housing provident fund accounts for its employees, the housing provident fund management center shall order it to go through the formalities within a prescribed time limit; where failing to do so at the expiration of the time limit, a fine of not less than RMB10,000 nor more than RMB50,000 shall be imposed. Where an employer is overdue in the payment of, or underpays, the housing provident fund, the housing provident fund management center shall order it to make the payment within a prescribed time limit; where the payment has not been made after the expiration of the time limit, an application may be made to a people's court for compulsory enforcement.

According to Interpretation (II) of the Supreme People's Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) ("**Interpretation (II) for Trial of Labor Dispute Cases**"), which became effective on September 1, 2025, if the employer and laborer agree or the laborer promises that social insurance premiums need not be paid, the people's court shall deem such agreement or promise invalid. If the employer fails to pay social insurance premiums as required by law, and the laborer requests termination of the labor contract and economic compensation under Article 38(3) of the Labor Contract Law, the court shall support the claim. If the above conditions are met and the employer, after legally making up the premiums, requests the laborer to return the social insurance compensation already paid, the court shall support the claim.

Regulations on Environmental Protection

According to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) (the "**Environmental Protection Law**"), the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》) and the Administrative Regulations on the Environmental Protection of Construction Project (《建設項目環境保護管理條例》), enterprises which plan to construct projects shall engage qualified professionals to provide the assessment reports, assessment form, or registration form on the environmental impact of such projects. The assessment reports, assessment form, or registration form shall be filed with or approved by the relevant environmental protection bureau prior to the commencement of any construction work.

According to the Environmental Protection Law and the Regulation on Administration of Discharge Permit (《排污許可管理條例》), public institutions and other producers and operators that are subject to the administration of discharge permit shall discharge pollutants in accordance with the requirements of the discharge permit; and those who have not obtained the discharge permit shall not discharge pollutants.

According to the Classification Management List for Fixed Source Pollution Permits (2019 Edition) (《固定污染源排污許可分類管理名錄(2019年版)》), the manufacturing of biological drugs and products falls into the classification management scope for fixed source pollution permits.

Regulations on Foreign Exchange and Overseas Investment and Dividend Distribution

Foreign Exchange and Overseas Investment

Foreign exchange in the PRC is mainly regulated by the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》). Renminbi is freely convertible for current account items, including the distribution of dividends, interest payments, trade and service-related foreign exchange transactions, but is not freely convertible for capital account items, such as direct investments, loans, repatriation of investments and investments in securities outside of the PRC, unless prior approval is obtained from the SAFE and/or prior registration with the SAFE is made.

According to the Notice of SAFE on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》), the SAFE and its branch offices and administrative offices shall oversee, regulate and inspect domestic companies regarding their business registration, opening and use of accounts, trans-border payments and receipts, exchange of funds and other conduct involved in overseas listing. Domestic companies shall, within 15 working days after the completion of their public offering overseas, complete overseas listing registration formalities with the foreign exchange authority at their place of registration with the required materials.

According to the Notice on Further Simplifying and Improving Foreign Exchange Administration Policy on Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》), the banks shall review and carry out foreign exchange registration under domestic direct investment as well as foreign exchange registration under overseas direct investment directly, and the SAFE and its branches shall implement indirect supervision over foreign exchange registration of direct investment via the banks.

According to the Circular on Reforming the Management Approach regarding the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises (《關於改革外商投資企業外匯資本金結匯管理方式的通知》), the foreign exchange capital of foreign-invested enterprises shall be subject to the Discretional Foreign Exchange Settlement. The proportion of Discretional Foreign Exchange Settlement of the foreign exchange capital of a foreign-invested enterprise is temporarily determined as 100%. The Renminbi converted from the foreign exchange capital will be kept in a designated account. If a foreign-invested enterprise needs to make a further payment from such designated accounts, it still needs to provide supporting documents and go through the banks' review process.

Dividend Distribution

The SAFE promulgated the Notice of the SAFE on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance (《國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知》), which stipulates several capital control measures with respect to the outbound remittance of profits of a domestic entity equivalent to more than USD50,000 (exclusive) including the following: (1) under the principle of genuine transaction, banks shall check board resolutions regarding profit distribution (or the partners' resolutions regarding profit distribution), the original version of tax filing records and

audited financial statements; and (2) domestic entities shall hold income to account for previous years' losses before remitting the profits. Moreover, domestic entities shall provide detailed explanations of the sources of capital and the intended use of funds, and provide board resolutions (or the partners' resolutions), contracts and other proof when completing the registration procedures in connection with an outbound investment.

Regulations on Information Security and Data Privacy

Pursuant to the Civil Code of the PRC, the personal information of a natural person shall be protected by the law. Any organization or individual that needs to obtain personal information of others shall obtain such information legally and ensure the safety of such information, and shall not illegally collect, use, process or transmit personal information of others, or illegally purchase or sell, provide or make public personal information of others.

The Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) stipulates the scope of personal information and establishes rules for processing personal information of natural persons within the territory of the PRC, including but not limited to more specific informed consent requirements in various contexts, strengthened and classified obligations of personal information processors, and more limitations and rules on processing of personal information.

The Data Security Law of the PRC (《中華人民共和國數據安全法》) stipulates that each organization or individual collecting data shall adopt legal and proper methods, and shall not steal or obtain data by other illegal methods, and the data processing activities shall comply with laws and regulations, respect social mores and ethics, comply with commercial ethics and professional ethics, be honest and trustworthy, perform obligations to protect data security, and undertake social responsibility; it shall not harm national security, the public interest, or the legitimate rights and interests of citizens or organizations. Pursuant to the Cybersecurity Review Measures (《網絡安全審查辦法》), (i) the purchase of network products and services of a critical information infrastructure operator and data processing activities of an online platform operator that affect or may affect national security shall be subject to the cybersecurity review, (ii) particularly, if a critical information infrastructure operator purchase network products and services that affect or may affect national security, or an online platform operator possessing personal information of over one million users and pursues a listing abroad, such operator must apply for cybersecurity review, and (iii) relevant governmental authorities in the PRC may initiate cybersecurity review if such governmental authorities determine any network products and services, and data processing activities affect or may affect national security. In addition, the Regulations on Cyber Data Security Management (《網絡數據安全管理條例》), provides clear stipulation on carrying out cyber data processing activities and the security supervision and management thereof.

The Measures for the Security Assessment of Outbound Data Transfers (《數據出境安全評估辦法》) outlines the possible security assessment process for outbound data transfers. In addition, the Measures for the Administration of Standard Contractual Clauses for the Cross-Border Transfer of Personal Information (《個人信息出境標準合同辦法》), attach the prescribed template for the standard contract on the outbound transfer of personal information that could be used as an available option to satisfy the condition for cross-border transfer of personal information under Article 38 of the Personal Information Protection Law.

On March 22, 2024, the CAC issued Provisions on Facilitating and Regulating Cross-border Data Flows (《促進和規範數據跨境流動規定》), which provide provisions for the implementation of outbound data transfer systems including security assessment for outbound data transfers, standard contracts for outbound transfer of personal information, and personal information protection certification. In accordance with these provisions, unless otherwise stipulated, (I) data processors who provide data abroad, and meet any of the following conditions, are required to declare the security assessment of outbound data transfer to the national cyberspace administration authority through the provincial-level cyberspace administration authority where they are located: (A) critical information infrastructure operators providing personal information or important data

abroad; (B) data processors other than critical information infrastructure operators providing important data abroad or cumulatively providing abroad personal information (excluding sensitive personal information) of more than one million individuals, or sensitive personal information of more than 10,000 individuals since January 1 of the current year; and (C) data processors other than critical information infrastructure operators have cumulatively provided abroad personal information (excluding sensitive personal information) of more than 100,000 and less than 1,000,000 individuals, or sensitive personal information of less than 10,000 individuals as of January 1 of the current year, shall enter into a standard contract for outbound transfer of personal information with the overseas recipient or obtain personal information protection certification in accordance with the law.

Regulations on Overseas Securities [REDACTED] and [REDACTED] by Domestic Enterprises

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》), the Overseas Listing Trial Measures comprehensively reformed the regulatory regime for overseas offering and listing of securities by the PRC domestic enterprises, either directly or indirectly, into a filing-based system. The PRC domestic enterprises that seek to offer and list securities in overseas markets, either directly or indirectly, are required to fulfill the filing procedure with the CSRC and report relevant information. The Overseas Listing Trial Measures provides that an overseas listing or offering is explicitly prohibited, if any of the following applies: (i) such securities offering or listing is explicitly prohibited by provisions in PRC laws, administrative regulations or relevant state rules; (ii) the securities offering or listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with laws; (iii) the domestic enterprise or its controlling shareholder(s) and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the domestic enterprise is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations, and no conclusion has yet been made thereof; or (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) or actual controller.

According to the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》), where a domestic enterprise provides or publicly discloses to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses through its overseas listing subjects, documents and materials involving state secrets and working secrets of state organs, it shall report the same to the competent department with the examination and approval authority for approval in accordance with the law, and submit the same to the secrecy administration department of the same level for filing. Domestic enterprises providing accounting archives or copies thereof to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals shall perform the corresponding procedures pursuant to the relevant provisions of the State. The working papers formed within the territory of the PRC by the securities companies and securities service institutions that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of the PRC, and cross-border transfer shall go through the examination and approval formalities in accordance with the relevant provisions of the State.

Regulations on "Full Circulation" of H Shares

According to 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》), "Full Circulation" refers to the listing and circulation of the domestic unlisted shares of an H-share company (including unlisted domestic shares held by domestic shareholders prior to overseas

listing, unlisted domestic shares that are further issued in the PRC after overseas listing and unlisted shares held by foreign shareholders) on the Hong Kong Stock Exchange. Holders of unlisted domestic shares may, at their own discretion, negotiate and determine the number and proportion of shares to be applied for circulation, and entrust H-share companies to apply for "full circulation", as well as entrust H-share companies to submit the "full circulation" filing documents to the CSRC, subject to compliance with relevant laws and regulations as well as policy requirements in respect of state-owned assets management, foreign investment and industry regulation. According to the Guidelines, shareholders of domestic unlisted shares should handle the transfer of shares in accordance with the relevant business rules of CSDC, and H-share companies should submit a report on the relevant situation to the CSRC within 15 days after the completion of the transfer of the shares involved in the application to CSDC.

The Measures for Implementation of H-share Full Circulation Business (《H股"全流通"業務實施細則》) is in relation to the H-share full circulation business, such as cross-border transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of settlement participants, services of nominal holders, etc.

According to the Guide to the Program for Full Circulation of H-shares of China Securities Depository and Clearing Corporation Limited Shenzhen Branch (《中國證券登記結算有限責任公司深圳分公司H股"全流通"業務指南》), the business preparation, cross-border share transfer registration, arrangement for settlement and delivery, risk management measures and other relevant matters are specified.

OVERVIEW OF U.S. LAWS, REGULATIONS AND REGULATORY DEPARTMENTS

U.S. Government Regulation of Drug and Biological Products

In the U.S., the FDA regulates drugs under the FDCA, its implementing regulations and biologics under the FDCA and the Public Health Service Act (the "PHSA") and their implementing regulations. Both drugs and biologics are also subject to other federal, state and local statutes and regulations, such as those related to competition. Failure to comply with the applicable U.S. requirements at any time during the product development process, approval process or following approval may subject an applicant to administrative actions or judicial sanctions. These actions and sanctions could include, among other actions, the FDA's refusal to approve pending applications, withdrawal of an approval, license revocation, a clinical hold, untitled or warning letters, voluntary or mandatory product recalls or market withdrawals, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement and civil or criminal fines or penalties.

Pre-clinical testing of a product candidate is conducted in accordance with FDA's Good Laboratory Practice regulations. A sponsor of IND must submit the results of the pre-clinical testing, manufacturing information, analytical data, the clinical trial protocol, and any available clinical data or literature to the FDA. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA raises concerns or questions and places the trial on a clinical hold within that 30-day period. FDA may also impose clinical holds or partial clinical holds at any time during clinical trials due to safety concerns or non-compliance.

All clinical trials must be conducted under the supervision of one or more qualified investigators in accordance with Good Clinical Practice regulations, including the requirement that all research subjects provide informed consent in writing before their participation in any clinical trial. Further, an Institutional Review Board ("IRB"), must review and approve the plan for any clinical trial before it commences at any institution, and the IRB must conduct continuing review and reapprove the study at least annually. Each new clinical protocol and any amendments to the protocol must be submitted for FDA review, and to the IRBs for approval. An IRB can suspend or terminate approval of a clinical trial at its institution if the trial is not being conducted in accordance with the IRB's requirements or if the product has been associated with unexpected serious harm to subjects.

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

Concurrent with clinical trials, companies usually complete additional animal studies and must also finalize a process for manufacturing the product in commercial quantities in accordance with GMP requirements. Failure to comply with the applicable U.S. requirements may subject an applicant to administrative or judicial sanctions.

U.S. Review and Approval Processes

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

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

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

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

In the U.S., products composed of components that would normally be regulated by different centers at the FDA are known as combination products. Typically, the FDA's Office of Combination Products assigns a combination product to a specific Agency Center as the lead reviewer. The FDA determines which Center will lead a product's review based upon the product's primary mode of action. Depending on the type of combination product, its approval, clearance or licensure may usually be obtained through the submission of a single marketing application. However, the FDA sometimes will require separate marketing applications for individual constituent parts of the combination product, which may require additional time, effort, and information. Even when a single marketing application is required for a combination product, the relevant Centers may participate in the review. An applicant will also need to discuss with the Agency how to apply certain pre-market requirements and post-marketing regulatory requirements, including conduct of clinical trials, adverse event reporting and good manufacturing practices, to their combination product.

FDA Acceptance of Foreign Clinical Data in NDA

An application based solely on foreign clinical data meeting U.S. criteria for marketing approval may be approved if: (1) the foreign data are applicable to the U.S. population and U.S. medical practice; (2) the studies have been performed by clinical investigators of recognized competence; and (3) the data may be considered valid without the need for an on-site inspection by FDA or, if FDA considers such an inspection to be necessary, FDA is able to validate the data through an on-site inspection or other appropriate means. Failure of an application to meet any of these criteria will result in the application not being approvable based on the foreign data alone. FDA will apply this policy in a flexible manner according to the nature of the drug and the data being considered.

Expedited Development and Review Programs

The FDA has various programs that are intended to expedite or streamline the process for the development and FDA review of drugs that are intended for the treatment of serious or life-threatening diseases or conditions and demonstrate the potential to address unmet medical needs. The purpose of these programs is to provide important new drugs to patients earlier than under standard FDA review procedures.

Fast Track Designation

To be eligible for a fast-track designation, the FDA must determine, based on the request of a sponsor, that a drug is intended to treat a serious or life-threatening disease or condition for which there is no effective treatment and demonstrates the potential to address an unmet medical need for the disease or condition. Under the fast-track program, the sponsor of a drug candidate may request FDA to designate the product for a specific indication as a fast-track product concurrent with or after the filing of the IND for the drug candidate. The FDA must make a fast-track designation determination within 60 days after receipt of the sponsor's request.

In addition to other benefits, such as the ability to use surrogate endpoints and have more interactions with FDA, FDA may initiate review of sections of a fast-track product's NDA before the application is complete. This rolling review is available if the applicant provides, and FDA approves, a schedule for the submission of the remaining information and the applicant pays applicable user fees. However, FDA's time period goal for reviewing a fast-track application does not begin until the last section of the NDA is submitted. In addition, the fast-track designation may be withdrawn by FDA if FDA believes that the designation is no longer supported by data emerging in the clinical trial process.

Orphan Drug Designation

Under The Orphan Drug Act of 1983, the FDA may grant orphan drug designation to drugs or biologic candidates intended to treat a rare disease or condition generally affecting fewer than 200,000 individuals in the U.S. or for which a manufacturer has no reasonable expectation of recovering drug treatment research and development costs. The first applicant to receive FDA approval for the disease or indication for which it has orphan drug designation is entitled to a seven-year exclusive marketing period. During the exclusivity period, the FDA may not approve any other applications to market the same product for the same disease or condition except in limited circumstances.

Accelerated Approval

Under FDA's accelerated approval regulations, the FDA may approve a drug or biologic candidate for a serious or life-threatening illness that provides meaningful therapeutic benefit to patients over existing treatments and demonstrates an effect on either a surrogate endpoint that is reasonably likely to predict clinical benefit or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality ("IMM"), that is reasonably likely to predict an effect on IMM or other clinical benefit, taking into account the severity, rarity, or prevalence of the disease or condition and the availability or lack of alternative treatments. A product candidate approved on this basis is subject to rigorous post-marketing compliance requirements, including the completion of post-approval clinical trial to confirm the effect on the clinical endpoint. Failure to conduct required post-approval studies, or to confirm a clinical benefit during post-marketing studies, will allow the FDA to withdraw the product from the market on an expedited basis. All promotional materials for product candidates approved under accelerated regulations are subject to prior review by the FDA.

Breakthrough Therapy Designation

A drug or biologic may be eligible for designation as a breakthrough therapy if the product is intended, alone or in combination with one or more other drugs or biologics, to treat a serious or life-threatening condition and preliminary clinical evidence indicates that the product may demonstrate substantial improvement over currently approved therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. A sponsor may request that a product be designated as a breakthrough therapy concurrently with, or at any time after, the submission of IND, and the FDA must determine if the candidate qualifies for such designation within 60 days of receipt of the request. If so designated, the FDA shall act to expedite the development and review of the product's marketing application, including by meeting with the sponsor throughout the product's development, providing timely advice to the sponsor to ensure that the development program to gather pre-clinical and clinical data is as efficient as practicable.

Priority Review

The FDA may give a priority review designation to drugs that offer major advances in treatment or provide a treatment where no adequate therapy exists. A priority review means that the goal for the FDA to review an application is six months, rather than the standard review of ten months under the Prescription Drug User Fee Act guidelines. These six- and ten-month review periods are measured from the "filing" date rather than the receipt date for NDAs for new molecular entities, which typically adds approximately two months to the timeline for review and decision from the date of submission. Most products that are eligible for fast-track designation are also likely to be considered appropriate to receive a priority review.

Post-Marketing Requirements

Following the approval of a new product, the manufacturer and the approved product are subject to continuing regulation by the FDA, including, among other things, monitoring and record-keeping activities, reporting of adverse experiences, complying with promotion and advertising requirements, which include restrictions on promoting products for unapproved uses or patient populations (known as "off-label use") and limitations on industry-sponsored scientific and educational activities. Although physicians may prescribe legally available products for off-label uses, manufacturers may not market or promote such uses. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant liability, including investigation by federal and state authorities. Prescription drug promotional materials must be submitted to the FDA in conjunction with their first use or first publication. Further, if there are any modifications to the drug or biologic, including changes in indications, labeling or manufacturing processes or facilities, the applicant may be required to submit and obtain FDA approval of a new NDA/BLA or NDA/BLA supplement, which may require the development of additional data or preclinical studies and clinical trials. The FDA may also place other conditions on approvals including the requirement for a risk evaluation and mitigation strategy ("REMS"), to assure the safe use of the product.

If the FDA concludes a REMS is needed, the sponsor of the NDA/BLA must submit a proposed REMS. The FDA will not approve the NDA/BLA without an approved REMS, if required. A REMS could include medication guides, physician communication plans or elements to assure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. Any of these limitations on approval or marketing could restrict the commercial promotion, distribution, prescription or dispensing of products. Product approvals may be withdrawn for non-compliance with regulatory standards or if problems occur following initial marketing.

FDA regulations require that products be manufactured in specific approved facilities and in accordance with cGMP regulations. These manufacturers must comply with cGMP regulations that require, among other things, quality control and quality assurance, the maintenance of records and documentation, and the obligation to investigate and correct any deviations from cGMP.

Manufacturers and other entities involved in the manufacture and distribution of approved drugs or biologics are required to register their establishments with the FDA and certain state agencies and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with cGMP requirements and other laws. The discovery of violative conditions, including failure to conform to cGMP regulations, could result in enforcement actions, and the discovery of problems with a product after approval may result in restrictions on a product, manufacturer or holder of an approved NDA/BLA, including recall.

Once an approval is granted, the FDA may issue enforcement letters or withdraw the approval of the product if compliance with regulatory requirements and standards is not maintained or if problems occur after the drug or biologic reaches the market. Corrective action could delay drug or biologic distribution and require significant time and financial expenditures. Later discovery of previously unknown problems with a drug or biologic, including AEs of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the approved labeling to add new safety information; imposition of post-market studies or clinical trials to assess new safety risks; or imposition of distribution or other restrictions under a REMS program. Other potential consequences include, among other things: restrictions on the marketing or manufacturing of the drug or biologic, suspension of the approval, complete withdrawal of the drug from the market or product recalls; fines, warning letters or holds on post-approval clinical trials; refusal of the FDA to approve applications or supplements to approved applications, or suspension or revocation of drug or biologic approvals; drug or biologic seizure or detention, or refusal to permit the import or export of drugs; or injunctions or the imposition of civil or criminal penalties.

OVERVIEW OF AUSTRALIAN LAWS, REGULATIONS AND REGULATORY DEPARTMENTS

Regulations on Clinical Development

Clinical trials conducted in Australia are regulated by the Therapeutic Goods Administration ("TGA"). Clinical trials must comply with a number of laws and regulations in Australia at the Commonwealth and State/Territory levels, including the Therapeutic Goods Act 1989 (Cth) and the Therapeutic Goods Regulations 1990 (Cth). Clinical trials must also comply with: the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH) Guidelines for Good Clinical Practice, as adopted and annotated by the TGA (the "ICH GCP Guidelines"); the National Statement on Ethical Conduct in Human Research (the "National Statement") and the protocol approved by the Human Research Ethics Committee ("HREC") responsible for monitoring the conduct of the trial.

There are two schemes for the approval of clinical trials involving 'unapproved' therapeutic goods in Australia: the Clinical Trial Notification ("CTN") scheme; and the Clinical Trial Approval ("CTA") scheme. The CTN scheme involves the TGA being notified of the clinical trial, but not undertaking any evaluation of the clinical trial. The CTA scheme involves the TGA not only being notified of the clinical trial, but also conducting an evaluation and assessment of the clinical trial prior to its commencement with a primary focus on reviewing the safety of the therapeutic goods. The CTN scheme is generally used for earlier phase studies when there is adequate preclinical information about the product, particularly in relation to safety. The CTA scheme is generally used for high-risk or novel treatments, where there is little known or no knowledge about the safety of the goods. The decision regarding which scheme to follow is generally up to the sponsor of the trial and the applicable HREC, although the CTA scheme is mandatory for certain types of biological medicines.

Clinical trials in Australia require the approval of the research institute that is conducting the trial, following a review by its HREC before the trial commences. HRECs are responsible for assessing the scientific validity of the trial design, the balance of risk versus harm of the therapeutic goods and the overall ethical acceptability of the trial. HRECs are also responsible for overseeing clinical trials. Clinical trials conducted in Australia must have a trial sponsor that is an Australian company. It is permissible for a foreign corporation to engage an Australian company to act as the sponsor of a clinical trial in Australia, often referred to as the Local Sponsor. In this situation, the foreign corporation does not, itself, need to obtain any licenses or authorizations in respect of the clinical trial. The Australian trial sponsor is responsible for the initiation, management and financing (or arranging the financing) for the clinical trial and is legally responsible for the conduct of the clinical trial, including obtaining the requisite licenses or authorizations. The trial sponsor does not need to be the manufacturer of the product being trialed. The product manufacturer may rely on the results of the trial when seeking to have the product registered on the Australian Register of Therapeutic Goods.

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

Clinical trials in Australia must also comply with the National Statement. The National Statement sets out the Australian ethical standards against which all research involving humans, including clinical trials, are reviewed. The approval of a clinical trial in Australia is conditional upon compliance with the National Statement.

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

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

Under both the CTN and CTA schemes, the clinical trial sponsor for a trial involving medicines or biological products must provide to the TGA information about the proposed dosage form, route of administration, formulation, dosage, and frequency of administration of the product (amongst other information), prior to the commencement of the clinical trial. If a change to the dosage is proposed to be made following the completion of a phase I clinical trial, then that change must be either notified to the TGA (if the clinical trial falls under the CTN scheme), or approved by the TGA (if the clinical trial falls under the CTA scheme). The change would also require review and approval by the HREC overseeing the trial.

OVERVIEW

Our history began in 2018 when Shanghai Alebund, the initial holding entity of our Group which is now a subsidiary of the Company, was established. Shanghai Alebund was conceived as a company dedicated to the development of renal disease therapeutics, initiated and established by the founders, Dr. Gavin Xia and Dr. Jin Tian, and with LAV USD and Shanghai Liyi as initial financial investors, each an investor possessing extensive industry experience in biotechnology, healthcare and related fields.

As co-founders of our Group, Dr. Gavin Xia and Dr. Jin Tian, who became acquainted with each other through LAV's network, bring decades of expertise and proven track records in the pharmaceutical and healthcare investment sectors to our Group. Dr. Gavin Xia joined our Group initially as a Director representing LAV USD, shortly afterwards he also became our chief executive officer since November 2018, responsible for providing overall guidance for the business, strategic development and management of our Group, and Dr. Jin Tian has been our Director and chief medical officer, responsible for clinical research and development of our Group since its establishment.

Under the combined leadership of our co-founders, we have been focusing on research and development, manufacturing and commercialization of our product and product candidates. We are now a biopharmaceutical company with the broadest drug candidates in terms of renal indication coverage globally, according to CIC.

For details of Dr Xia's and Dr. Tian's biographical background and relevant industry experience, see "Directors and Senior Management".

KEY MILESTONES

The following table summarizes the key business development milestones since our inception:

Year	Milestone
2018	Our business was founded in Shanghai through Shanghai Alebund.
	We obtained the full China rights from Vidasym, Inc. relating to AP301.
2019	We completed the Series A Investment in November.
2020	We received IND clearance to conduct a Phase II clinical trial of AP301 from the NMPA in January.
	We completed the Series A+ Investment in December.
2021	We took over all global rights in the intellectual property from Vidasym, Inc. regarding AP301.
	We commenced our partnership with Chugai in respect of AP306 in July.
	We began the construction of our manufacturing facility.
	We completed the Series B Investment in July and the Series B+ Investment in September.
2022	We entered into collaboration with the Peking University First Hospital to discover, develop and commercialize an IgA protease globally.
	We completed the Phase II clinical trial of AP301 in China in April.
	We received an IND clearance to conduct a Phase II clinical trial of AP306 from NMPA in December.
	We completed the Series Pre-C Investment in December.

Year	Milestone
2023	We received the IND clearance from the NMPA to conduct a Phase III clinical trial of AP301 in China in March.
	We completed the Phase I first-in-human clinical trial of AP303 in July.
	We completed the Phase II clinical trial of AP306 in China in September.
	We exercised our option to obtain the global rights in respect of AP306 in October.
	We obtained exclusively promotion right in respect of Mircera® in Chinese Mainland. In December, Mircera® was included in the National Reimbursement Drug List of China.
2024	The FDA granted orphan drug designation for AP303 intended for the treatment of ADPKD in March.
	The NMPA granted Breakthrough Therapy Designation to AP306 for the treatment of hyperphosphatemia in patients with CKD in June.
	We completed the Phase I clinical trial of AP303 in China in August.
	The construction of our manufacturing facility was completed.
2025	We completed the Phase III clinical trial of AP301 in China in June and initiated the global Phase III clinical trial of AP301 in July.
	We completed the Phase Ib clinical trial of AP303 in China in September.
	We completed the Series C Investment in February and the Cross-over Investment in October.
	We entered into the R1 Agreement for the development, manufacturing and commercialization of AP306 outside Chinese Mainland, Hong Kong, Macau and Taiwan in December.

OUR PRINCIPAL SUBSIDIARIES

As of the Latest Practicable Date, we had five principal subsidiaries which are all wholly-owned by our Group. The following table sets forth the detailed information of these principal subsidiaries as of the Latest Practicable Date:

Name of subsidiary	Place of incorporation	Date of incorporation and commencement of business	Principal business activities
Shanghai Alebund	PRC	April 23, 2018	Research and development
Shanghai Alezyme	PRC	January 4, 2022	Research and development
Alebund Shanghai	PRC	July 25, 2022	Research and development
Alebund Yangzhou	PRC	May 13, 2024	Manufacturing
Alebund HK	Hong Kong	January 23, 2019	Overseas business platform

CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES

(1) Establishment and historical corporate reorganizations

Our Company was incorporated in the PRC on May 20, 2021 as a limited liability company. Before incorporation of our Company, our business was operated through the precursor operating entities of our Group and has undergone a series of strategic development stage and restructurings.

Shanghai Alebund

On April 23, 2018, Shanghai Alebund, previously serving as the holding company of our Group at initial structuring stage and currently our wholly-owned subsidiary, was incorporated in the PRC and was initially wholly-owned by Dr. Tian.

Pursuant to a joint venture agreement entered into among parties in May 2018 and a follow-up agreement in March 2019 (collectively, the "**JV Agreements**") with respect to the joint formation and operation arrangements of Shanghai Alebund as a company dedicated to the development of renal disease therapeutics, (i) LAV Legato Hong Kong Limited ("**LAV Legato**") and Suzhou Lirui Equity Investment Center (Limited Partnership) (蘇州禮瑞股權投資中心(有限合夥)) ("**Suzhou Lirui**") agreed to purchase RMB133,333 and RMB66,667 registered capital, representing approximately 33.33% and 16.67% equity interest in Shanghai Alebund, at a consideration of USD2 million and USD1 million, respectively, to financially support the initiation of our business; (ii) Vidasym, Inc. ("**Vidasym**"), as an IP partner, (a) agreed to transfer the relevant right of the title and interest in patent applications relating to AP301 in Chinese Mainland, Hong Kong, Macau and Taiwan, as well as the inventions they describe to us, the details of which were stipulated in the Assignment and License Agreement (the "**2018 Vidasym Agreement**") as a suite of interrelated agreements with the JV Agreements, and (b) paid the nominal value of RMB150,000, in exchange of RMB150,000 registered capital, representing 37.5% equity interest in Shanghai Alebund; and (iii) Licheng (Shanghai) Biotech Partnership (Limited Partnership) ("**Shanghai Licheng**"), an early stage shareholding platform owned as to 95% by Dr. Tian, held 12.5% equity interest in Shanghai Alebund. The consideration for the JV Agreements was determined based on the arm's length negotiation among the parties taking into consideration primarily AP301's market potential in Greater China. Such joint formation process was completed in May 2019. See "— Pre-[**REDACTED**] Investments" below for further information with respect to the Pre-[**REDACTED**] investments provided by LAV Legato and Suzhou Lirui.

Since its incorporation, Shanghai Alebund has been under the same management as our Group. Until the 2019 Reorganization (as defined below) when the offshore holding structure was established, pursuant to the JV Agreements, the board of directors of Shanghai Alebund served as the highest authority of Shanghai Alebund, which consisted of Dr. Gavin Xia, Dr. Tian, and Ms. Wang Yun, who controlled and managed the day-to-day operation of the Company.

Alebund Cayman

To facilitate offshore financing to support our business growth and working capital needs and in view of our global vision, we underwent a shareholding restructuring to adopt an offshore red-chip holding structure ("**2019 Reorganization**"), which was completed in November 2019. Simultaneously, the Company also completed its Series A Investment (as defined below). Pursuant to the 2019 Reorganization, Alebund Cayman was incorporated under the laws of the Cayman Islands on August 21, 2019 and became the new holding company of our Group, and Shanghai Alebund was acquired by Alebund Cayman and became a subsidiary of Alebund Cayman. Also at this stage, Aleyuan Inc. and Aleyuan Limited, each being a founder shareholding platform, held shares directly in Alebund Cayman. After completion of the 2019 Reorganization, Shanghai Alebund became our principal subsidiary and remained focusing on research and development of AP301, while also served as the tentative shareholding entity for several onshore investors who received options or warrants in Alebund Cayman. For details, see "— Pre-[**REDACTED**] Investments" below for further information.

As part of the 2019 Reorganization, in November 2019, Vidasym entered into an equity transfer agreement (the "**2019 Vidasym Agreement**") with us, pursuant to which, Vidasym (i) transferred all equity interests it held in Shanghai Alebund to us and (ii) granted us an exclusive option to acquire all of Vidasym's global rights in the intellectual property regarding AP301, in exchange for a consideration of a lower single-digit millions of U.S. dollars. The consideration was determined based on our evaluation of the market value of the Greater China rights of AP301 as well as the post-money valuation of Shanghai Alebund after the May 2018 Investment (as defined below). The consideration was fully settled on November 29, 2019. Vidasym is a U.S.-based clinical-stage drug discovery and development company with a focus on CKD complications and osteoporosis of which Dr. Tian was a historical minority shareholder and clinical study consultant, and is an Independent Third Party save for its then shareholding in Shanghai Alebund. The Group exercised the aforementioned exclusive option and entered into an assignment agreement with Vidasym in June 2021 (the "**2021 Vidasym Agreement**"). Pursuant to the JV Agreements, the 2018 Vidasym Agreement, the 2019 Vidasym Agreement and the 2021 Vidasym Agreement, collectively, Vidasym has undertaken, among other things, that it shall not, directly or indirectly, engage in any development or commercialization activities in the field of phosphate binders globally, and has further committed to cease exercising any rights, and refrain from any activities that would challenge or adversely affect the Group's exclusive exploitation of the assigned phosphate binder technology and intellectual property. Such non-competition undertakings shall remain in effect throughout the term of the agreements, which extends until the later of the expiration of the last-to-expire licensed patent rights or the expiration of any regulatory exclusivity rights globally. For more details, please refer to "Business — Major Collaboration Arrangements — Collaboration Arrangement with Vidasym, Inc." and "Directors and Senior Management" in this Document.

Upon completion of the 2019 Reorganization, Shanghai Alebund was held as to 77.74% by a wholly-owned subsidiary of Alebund Cayman, 4.24% by Shanghai Licheng, 1.70% by Shanghai Chunyuan and 16.32% by Suzhou Lirui and Alebund Cayman was held by, on a fully diluted basis, Aleyuan Inc. as to 12.21%, Aleyuan Limited as to 7.81%, LAV Biosciences as to 47.49%, and reserves for options held by onshore entities holding registered capital in Shanghai Alebund and ESOP incentives as to 32.50%. Shanghai Alebund became a wholly-owned subsidiary of Alebund Cayman after those onshore investors held shares directly in Alebund Cayman in February 2022.

To ensure a consistent management of the company's affairs by the core management led by the founders, and to consolidate the founders' control, certain entities controlled by these individuals entered into a Concert Party Deed in June 2023, pursuant to which they agreed to act in concert when exercising their rights as shareholders of Alebund Cayman, which was then the highest authority of the Group. See "— Concert Party Agreements" below for more details.

The Company

In April 2024, as part of the Company's capital markets strategy, the offshore red-chip holding structure of our Group was unwound (the "**2024 Reorganization**"). During the 2024 Reorganization, the Company acquired the entire equity interest in the then existing subsidiaries of our Group, and became the holding entity of our Group since then. Alebund Cayman repurchased shares held by its then existing shareholders, and the shareholding in Alebund Cayman was flipped down to the level of our Company. Specifically, the shareholders of Alebund Cayman subscribed for registered capital (including through their onshore associates, where applicable) in the Company, while Alebund Cayman repurchased their existing shareholdings at a consideration determined based on their respective original purchase price. The Shareholders' respective shareholdings in our Company following the 2024 Reorganization mirrored their shareholding in Alebund Cayman immediately prior to the 2024 Reorganization. Alebund Cayman was subsequently deregistered in February 2025.

Following the 2024 Reorganization, in June 2024, the same group of members entered into an acting-in-concert agreement to reiterate their commitment to act in concert in matters on the Shareholders' meeting of our Company. Also see "— Concert Party Agreements" below for more details.

Immediately upon the completion of the 2024 Reorganization, the shareholding structure of our Company was as follows:

Shareholders[(1)]	Registered capital in our Company	Ownership percentage
	(USD)	*(approximation)*
Yangzhou Liyue	2,501,880	11.93%
AleyuanGX	1,327,926	6.33%
AleyuanJT	720,433	3.44%
Aleyuan Inc.	487,552	2.32%
Aleyuan Limited	484,319	2.31%
Shanghai Chunyuan	191,075	0.91%
Pre-[**REDACTED**] Investors[(2)]	15,259,984	72.76%
Total:	**20,973,169**	**100.00%**

Notes:

(1) For details of our shareholders, see "— Pre-[**REDACTED**] Investments" and "— Capitalization" below.

(2) The subscription of USD98,488 in the registered capital in the Company as part of the 2024 Reorganization by Hongtao (as defined below) was completed on May 31, 2025.

(2) Conversion into a joint stock limited company

On September 30, 2025, our then Shareholders resolved to approve the conversion of our Company from a limited liability company into a joint stock limited company (the "**Conversion**") with a registered capital of RMB258,000,000 divided into 258,000,000 Shares with a nominal value of RMB1.00 each. The Conversion was completed on October 10, 2025.

(3) Pre-[REDACTED] Investments

From November 2019 to October 2025, we underwent eight rounds of Pre-[**REDACTED**] Investments and certain equity transfers among our existing Shareholders. See "— Pre-[**REDACTED**] Investments" below for further information of shareholding changes in connection with the Pre-[**REDACTED**] Investments.

(4) Equity incentive issuances

Throughout our history, we have issued shares in the holding entities of our Group pursuant to our pre-[**REDACTED**] equity incentive plans to equity incentive platforms and our co-founders. Please see "— Equity Incentive Platforms" and "— Capitalization" below for further details. For the shareholding of our Company as of the Latest Practicable Date, see "— Capitalization" in this section.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

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

CONCERT PARTY AGREEMENTS

On June 30, 2023, Aleyuan Inc., Dr. Gavin Xia, Dr. Tian, Aleyuan Limited, Ms. Wang Yun, Dr. Shu Chutian and Alebund Limited Partnership (the predecessor of Yangzhou Liyue at Alebund Cayman level prior to the 2024 Reorganization) and Chunyuan Limited (a limited company and the offshore affiliated entity of Shanghai Chunyuan that held shares at Alebund Cayman level prior to the 2024 Reorganization, in which Dr. Shu Chutian held approximately 29.95% equity interest and no other shareholders, each being an employee, held 30% or more of equity interest therein), entered into a concert party deed, pursuant to which they agreed to act in concert with each other in relation to all matters that required the decision of the shareholders of Alebund Cayman, and if no unanimous opinion could be reached, the decision made by Dr. Gavin Xia shall prevail and shall be deemed to be the unanimous decision binding to all concert parties. At this stage, Dr. Shu Chutian held all of his interest in Alebund Cayman through Chunyuan Limited.

Following the 2024 Reorganization, on June 15, 2024, Aleyuan Inc., Dr. Gavin Xia, AleyuanGX, Dr. Tian, AleyuanJT, Aleyuan Limited, Yangzhou Liyue, Shanghai Chunyuan (a limited partnership and the onshore affiliated entity of Chunyuan Limited following the 2024 Reorgnization, in which Dr. Shu Chutian served as its general partner and held approximately 29.95% partnership interest and none of the other limited partners held 30% or more of partnership interest therein), Ms. Wang Yun and Dr. Zhang Huading (each an "**AIC Party**" and together the "**AIC Parties**") entered into an acting-in-concert agreement (the "**Onshore AIC Agreement**") to reiterate their commitment to act in concert, pursuant to which they agreed to act in concert with each other in relation to all matters at Shareholders' and/or Board meeting of our Company, and if no consensus could be reached, the decision made by Dr. Gavin Xia shall prevail and the proposal should be submitted to the Shareholders' meeting or the Board of our Company in accordance with Dr. Gavin Xia's decision. Dr. Shu Chutian is not a party to the Onshore AIC Agreement in his personal capacity, as his control over the relevant Shares and participation in acting-in-concert arrangement is now fully reflected and exercised through a corporate vehicle (i.e., Shanghai Chunyuan) in his capacity as its general partner.

Therefore, pursuant to the Onshore AIC Agreement, as of the Latest Practicable Date, the AIC Parties, together with entities controlled by AIC Parties, held approximately 24.50% of our total issued share capital in aggregate.

SINGLE LARGEST SHAREHOLDERS GROUP

Our Single Largest Shareholders Group comprises (i) the AIC Parties, namely Aleyuan Inc., Dr. Gavin Xia, AleyuanGX, Dr. Tian, AleyuanJT, Aleyuan Limited, Shanghai Chunyuan, Yangzhou Liyue, Ms. Wang Yun, Dr. Zhang Huading, (ii) Shanghai Yuanyue, BCeGFR and Fortuna, each a controlled entity of Dr. Gavin Xia, and (iii) Dr. Shu Chutian, the general partner of Shanghai Chunyuan, an AIC Party.

As of the Latest Practicable Date, the Single Largest Shareholders Group held approximately 24.50% of our total issued Share capital in aggregate, comprising approximately 7.46% by Yangzhou Liyue, approximately 4.19% held by AleyuanGX, approximately 2.42% by Aleyuan JT, approximately 1.64% by Aleyuan Inc., Approximately 1.63% by Aleyuan Limited, 0.64% by Shanghai Chunyuan, approximately 5.77% by Shanghai Yuanyue, approximately 0.22% by BCeGFR, approximately 0.54% by Fortuna, and approximately 0.0001% by each of Dr. Gavin Xia, Dr. Tian, Ms. Wang Yun and Dr. Zhang Huading directly. Immediately following the completion of the [**REDACTED**], our Single Largest Shareholders Group will control approximately [**REDACTED**]% of our total issued share capital.

PREVIOUS REGISTRATION AND DE-REGISTRATION ON THE JIANGSU EQUITY EXCHANGE

On December 9, 2024, our Company completed its registration on the specialist and innovation board (專精特新專板) of Jiangsu Equity Exchange (江蘇股權交易中心) under the stock code of JZ00613. As part of the Company's capital markets strategy and work plan, we applied for voluntary de-registration from the Jiangsu Equity Exchange on October 29, 2025 and received its approval on the same day. The voluntary de-registration took effect on October 29, 2025.

Our Directors were of the view that the voluntary de-registration from the Jiangsu Equity Exchange was based on commercial considerations and in line with our development needs and long term strategic planning in the capital markets. Our Directors have confirmed that, during the period that our Company was registered on the Jiangsu Equity Exchange, the Company did not conduct any placing, share transfer, capital increase or capital decrease on the exchange; and it was in compliance with all applicable laws, regulations and the rules of the exchange in all material respect. Nothing has come to our attention that should be brought to the attention to the Stock Exchange or our Shareholders.

The Joint Sponsors are of the view that our Company's previous registration and subsequent de-registration on the Jiangsu Equity Exchange do not have a material impact on our Company's H Share [**REDACTED**].

REASONS FOR THE [REDACTED]

Our Company is seeking a [**REDACTED**] of its H Shares on the Stock Exchange in order to provide further capital for the development and expansion of our Company's business, to strengthen our Company's working capital and to further raise our business profile and global presence. For further details of our future plans, see "Future Plans and Use of [**REDACTED**]".

EQUITY INCENTIVE PLATFORMS

In recognition of the contributions of our employees and to motivate staff, attract and retain talents, enhance teamwork and drive our Group's sustained, steady and rapid development, the holding entities of our Group have adopted certain Pre-[**REDACTED**] equity incentive plans historically. In August 2025, after the completion of the 2024 Reorganization and the Company becoming the holding entity of our Group, the Company adopt a Pre-[**REDACTED**] equity incentive plan (the "**Pre-[REDACTED] Equity Incentive Plan**") to consolidate, streamline and superseded the previously adopted pre-[**REDACTED**] equity incentive plans and successively established Yangzhou Liyue and Shanghai Yuanyue (including its limited partners, Shanghai Yuanyuyue, Shanghai Yuantianyue, Shanghai Yuanxuanyue and Shanghai Yuanhuangyue as sub-platforms under Shanghai Yuanyue) as our Employee Incentive Platforms to implement the Pre-[**REDACTED**] Equity Incentive Plan. The administration of each Employee Incentive Platform shall be conducted by their respective general partner. As of the Latest Practicable Date, Yangzhou Liyue and Shanghai Yuanyue owned approximately 7.46% and 5.77% of the total issued Shares of our Company, respectively. As the general partner of the Employee Incentive Platforms, Dr. Xia, through AleyuanGX, a company wholly owned by him, has the full and absolute capacity and discretion to exercise the voting rights attached to the Shares held by Yangzhou Liyue and Shanghai Yuanyue.

Yangzhou Liyue is a limited partnership with AleyuanGX serving as its general partner, holding approximately 42.03% partnership interests. The remaining interests of Yangzhou Liyue was held by four limited partners, namely (i) Ms. Wang Yun (our executive Director and chief of staff), holding approximately 32.58% partnership interest; (ii) AleyuanJT (a company wholly-owned by Dr. Tian), holding approximately 24.42% partnership interest; and (iii) two other consultants of the Group. The two consultants were engaged by the Group in 2018, with one providing CMC-related consulting and the other offering strategic regulatory advisory service. Both are scientists with sophisticated knowledge and decades of relevant experience and are Independent Third Parties. They were granted equity interest in Yangzhou Liyue to recognize their contributions to the development of our Group at an early stage. Yangzhou Liyue was also an AIC Party, for details of which, see "— Concert Party Agreements" above.

Shanghai Yuanyue is a limited partnership with AleyuanGX serving as its general partner, holding approximately 5.81% partnership interests. The remaining interests of Shanghai Yuanyue was held by its limited partners: (i) 38.88%, 28.60%, 19.44% and 7.27% by Shanghai Yuanyuyue, Shanghai Yuanxuanyue, Shanghai Yuantianyue and Shanghai Yuanhuangyue, respectively, each an Employee Incentive Platform, and sub-platform under Shanghai Yuanyue and (ii) 0.0006% by Dr. Zhang Huading, an executive Director and our chief operating officer.

Shanghai Yuanyuyue is a limited partnership with Dr. Zhang Huading serving as its general partner, holding approximately 46.37% partnership interest. The remaining interest of Shanghai Yuanyuyue was held by its limited partners: (i) Ms. Liu Yongli (our finance director) as to 1.50%, and (ii) 28 other employees of the Group (who are not Directors, senior management or connected persons of the Company) as to 52.13% in aggregate.

Shanghai Yuanxuanyue is a limited partnership with Dr. Shu Chutian serving as its general partner, holding approximately 87.43% partnership interest. The remaining interest of Shanghai Yuanxuanyue was held by 12 other employees of the Group (who are not Directors, senior management or connected persons of the Company) as its limited partners.

Shanghai Yuantianyue is a limited partnership with AleyuanGX serving as its general partner, holding approximately 3.02% partnership interest. The remaining interest of Shanghai Yuantianyue was held by its limited partners: (i) Dr. Shen Xiao (our chief scientific officer) as to 62.80%, (ii) Dr. Zhang Huading (our executive Director and chief operating officer) as to 29.90%, and (iii) 2 other employees of the Group as to 4.28% (who are not Directors, senior management or connected persons of the Company).

Shanghai Yuanhuangyue is a limited partnership with Mr. Feng Jun, our head of commercialization, serving as its general partner, holding 96.00% partnership interest. The remaining interest of Shanghai Yuanhuangyue was held by five other employees of the Group (who are not Directors, senior management or connected persons of the Company) as its limited partners.

As of the Latest Practicable Date, all awards under the Pre-[**REDACTED**] Equity Incentive Plan had been granted and no further award under the Pre-[**REDACTED**] Equity Incentive Plan will be granted after the [**REDACTED**]. For details of the Pre-[**REDACTED**] Equity Incentive Plan, see "Statutory and General Information — Pre-[**REDACTED**] Equity Incentive Plan" in the Appendix V to this Document.

PRE-[REDACTED] INVESTMENTS

Overview

We underwent the following rounds of Pre-[**REDACTED**] investments[1], details of which are set forth below.

Round	Form of investment	Date of agreement	Date of settlement of consideration (last payment)	Shares involved	Consideration	Post-money valuation[2]	Cost per Share[2]	[REDACTED] to the [REDACTED][3]
					(approximation)	*(approximation)*	*(approximation)*	*(approximation)*
May 2018 Investment[4]	Subscription of equity interest in Shanghai Alebund	March 1, 2019	May 16, 2019	RMB200,000 registered capital in Shanghai Alebund	USD3 million	USD6 million	USD0.32	[**REDACTED**]%
Series A Investment[5]	Subscription of shares/option in Alebund Cayman	November 18, 2019	November 30, 2019	1,155,555 series A preferred shares in Alebund Cayman	USD8.67 million	USD12.2 million	USD0.32	[**REDACTED**]%
Series A+ Investment[6]	Subscription of shares/option in Alebund Cayman	November 16, 2020	March 18, 2021	1,328,526 series A+ preferred shares in Alebund Cayman	USD20.47 million	USD52.7 million	USD0.66	[**REDACTED**]%
Series B Investment[7]	Subscription of shares/option in Alebund Cayman	April 15, 2021	July 7, 2021	2,052,533 series B preferred shares in Alebund Cayman	USD60 million	USD179.3 million	USD1.25	[**REDACTED**]%
Series B+ Investment[8][9]	Subscription of shares/warrants in Alebund Cayman	August 18, 2021, September 3, 2021, November 21, 2021	November 22, 2021	1,453,220 series B+ preferred shares in Alebund Cayman	USD54 million	USD235.9 million	USD1.60	[**REDACTED**]%
Series Pre-C Investment[10][11]	Subscription of shares/warrants in Alebund Cayman	December 19, 2022, December 30, 2022	June 20, 2023	260,727 series pre-C preferred shares in Alebund Cayman	USD9.9 million	USD250.1 million	USD1.62	[**REDACTED**]%

Round	Form of investment	Date of agreement	Date of settlement of consideration (last payment)	Shares involved	Consideration	Post-money valuation[2]	Cost per Share[2]	[REDACTED] to the [REDACTED][3]
					(approximation)	*(approximation)*	*(approximation)*	*(approximation)*
	Subscription of registered share capital in the Company	December 19, 2022, March 30, 2023, March 31, 2023	July 10, 2023	USD614,563 registered capital in our Company	RMB70 million	USD355.0 million	RMB11.99	[**REDACTED**]%
Series C Investment[12]	Equity transfer from existing shareholder	December 27, 2024	March 11, 2025	USD1,698,754 registered capital in our Company	RMB117.5 million	N/A	N/A	N/A
	Subscription of registered share capital	December 27, 2024	February 21, 2025	USD3,751,716 registered capital in our Company	RMB432.5 million	RMB3,130.8 million	RMB12.13	[**REDACTED**]%
Cross-over Investment[13]	Subscription of registered share capital	October 23, 2025	October 29, 2025	25,096,831 Shares	RMB335.0 million	RMB3,778.8 million	RMB13.35	[**REDACTED**]%
	Equity transfer from existing shareholder	October 24, 2025	October 30, 2025	8,035,658 Shares	RMB98.4 million	N/A	N/A	N/A

Lock-up period . . . . . Pursuant to PRC Company Law, Shares issued by our Company prior to the [**REDACTED**] (including those held by the Pre-[**REDACTED**] Investors) will be subject to a lock-up period of 12 months from the [**REDACTED**].

Use of proceeds from the Pre-[REDACTED] Investments . . . . . We utilized the proceeds from the Pre-[**REDACTED**] Investments for the principal business of our Group, including but not limited to research and development of our products, the growth and expansion of our business and general working capital purposes. As of the Latest Practicable Date, we have utilized approximately 80.74% of the proceeds from the Pre-[**REDACTED**] Investments.

Strategic benefits to our Group brought by the Pre-[REDACTED] Investors . . . . . At the time of the Pre-[**REDACTED**] Investment, we believed that our Group could benefit from the additional funds raised from the Pre-[**REDACTED**] Investments as well as their knowledge and experience.

Notes:

(1) For the details on the Pre-[**REDACTED**] Investors, see "— Information about our Pre-[**REDACTED**] Investors" below.

(2) The post-money valuation of the Company equals the total consideration paid by the Pre-[**REDACTED**] Investors in each round of the Pre-[**REDACTED**] Investments divided by their respective shareholding percentage immediately following their investment.

The cost per Share is calculated based on the amount of investment made by the relevant Pre-[**REDACTED**] Investors and the number of Shares held by them immediately before the completion of the [**REDACTED**], which was adjusted to reflect the subsequent capital reorganization in the 2024 Reorganization as applicable.

(3) The [**REDACTED**] to the [**REDACTED**] is calculated based on the [**REDACTED**] of HK$[**REDACTED**] per H Share.

(4) Pursuant to the relevant share subscription agreement, LAV Legato and Suzhou Lirui invested in Shanghai Alebund for consideration as set out in the table below (the "**May 2018 Investment**"). During the 2019 Reorganization, LAV Legato transferred the equity interests it held in Shanghai Alebund at its original subscription price to a wholly-owned subsidiary of Alebund Cayman, and its associate LAV Biosciences participated in the Series A Investment (as defined below) with the same price.

May 2018 Investors	Number of registered capital in Shanghai Alebund	Consideration
	(RMB)	*(USD)*
LAV Legato	133,333	2,000,000
Suzhou Lirui	66,667	1,000,000

(5) Pursuant to the relevant transaction agreements, (i) LAV Biosciences Fund IV, L.P. ("**LAV Biosciences**") subscribed for certain series A preferred shares of Alebund Cayman, and (ii) Suzhou Lirui subscribed for certain registered capital in Shanghai Alebund and obtained an option to convert the said equity stake in Alebund Cayman as set out in the table below (the "**Series A Investment**"). As the holder of the said option, Suzhou Lirui was subject to the same shareholders' rights and obligations as other shareholders of Alebund Cayman as if its option has been exercised.

Series A Investors	Number of series A preferred shares in Alebund Cayman (assuming its option is exercised)	Consideration
		(USD)
LAV Biosciences	770,370	5,777,778
Suzhou Lirui	385,185	2,888,889

(6) Pursuant to the relevant transaction agreements, relevant Pre-[**REDACTED**] Investors (the "**Series A+ Investors**") either (i) subscribed for certain series A+ preferred shares of Alebund Cayman, or (ii) purchased certain registered capital in Shanghai Alebund for a total consideration of the RMB equivalent of the USD amount set out in the table below and obtained an option (the "**Series A+ Option**") to convert the said equity stake in Shanghai Alebund into such number of series A+ preferred shares in Alebund Cayman as set out in the table below (the "**Series A+ Investment**"). As the holder of the said option, each investor listed in (ii) was subject to the same shareholders' rights and obligations as other shareholders of Alebund Cayman as if its option has been exercised.

Series A+ Investors	Number of series A+ preferred shares in Alebund Cayman (assuming its option is exercised)	Consideration
		(USD)
LAV Biosciences	194,667	3,000,000
Fortuna	64,889	1,000,000
Thoth Investment Holdings Limited ("**Thoth**")	64,889	1,000,000
Ausvic Capital Limited (盈信泰資本(香港)有限公司) ("**Ausvic**")	64,889	1,000,000
Suzhou Huagai Yizhen Equity Investment Partnership (Limited Partnership) (蘇州華蓋一臻股權投資合夥企業(有限合夥)) ("**Suzhou Huagai**")*	454,222	7,000,000
Suzhou Lirui*	95,637	1,473,861
Dezhou Liangyi Mifang Health Venture Capital Partnership (Limited Partnership) (德州兩儀冪方康健創業投資合夥企業(有限合夥)) ("**Dezhou Liangyi**")*	269,787	4,157,674
Suzhou Luanbu Nuojin Investment Center (Limited Partnership) (蘇州欒布諾瑾投資中心(有限合夥)) ("**Suzhou Luanbu**")*	62,164	958,010
Xiamen Qianshan Qiyong Investment Partnership (Limited Partnership) (廈門千杉啟永投資合夥企業(有限合夥)) ("**Xiamen Qianshan**")*	57,382	884,317

* obtained the Series A+ Options

(7) Pursuant to the relevant of transaction agreements, relevant Pre-[**REDACTED**] Investors (the "**Series B Investors**") either (i) subscribed for certain series B preferred shares in Alebund Cayman, or (ii) purchased certain registered capital in Shanghai Alebund for a total consideration of the RMB equivalent of the USD amount set out in the table below and obtained an option (the "**Series B Option**") to convert the said equity stake in Shanghai Alebund into such number of series B preferred shares in Alebund Cayman as set out in the table below (the "**Series B Investment**"). As the holder of the said option, each investor obtained the option was subject to the same shareholders' rights and obligations as other shareholders of Alebund Cayman as if its option has been exercised.

Series B Investors	Number of series B preferred shares in Alebund Cayman (assuming its option is exercised)	Consideration
		(USD)
Quan Venture Fund II, L.P. ("**QuanVenture**")	684,178	20,000,000
Owap Investment Pte Ltd ("**Owap**")	513,133	15,000,000
LAV Biosciences	73,549	2,150,000
LAV Fund VI, L.P. ("**LAV Fund VI**")	171,045	5,000,000
Sherpa Healthcare Fund I, L.P. ("**Sherpa Fund I**")	85,523	2,500,000
Sherpa Healthcare Co-Investment Fund, L.P. ("**Sherpa Healthcare**")	85,522	2,500,000
Beijing Yuanqing Bencao Equity Investment Center, L.P. (北京元清本草股權投資中心(有限合夥)) ("**3E Bio**")*	256,566	7,500,000
Suzhou Lirui*	97,495	2,850,000
Dezhou Liangyi*	85,522	2,500,000

* obtained the Series B Options

(8) Pursuant to the relevant transaction agreements, relevant Pre-[**REDACTED**] Investors (the "**Series B+ Investors**") either (i) subscribed for certain series B+ preferred shares of Alebund Cayman, or (ii) provided Shanghai Alebund with certain convertible loan with a principal of the RMB equivalent of the USD and purchased a warrant to subscribe for such number of series B+ preferred shares in Alebund Cayman (the "**Series B+ Warrant**") as set out in the table below for a consideration equivalent to its principal loan amount (the "**Series B+ Investment**"). As the holder of the said warrant, each investor listed in (ii) was subject to the same shareholders' rights and obligations as other shareholders of Alebund Cayman as if its warrant has been exercised.

Series B+ Investors	Number of series B+ preferred shares in Alebund Cayman (assuming its warrant is exercised)	Consideration
		(USD or USD equivalent)
Victory Eagle Group Limited ("**3H**")	239,982	9,000,000
Loyal Valley Capital Advantage Fund III LP ("**LVC**")	239,982	9,000,000
Morningside Venture (I) Investments Limited ("**Morningside**")	186,653	7,000,000
YuanBio Venture Capital II L.P. ("**YuanBio**")	133,323	5,000,000
Octagon Investments Master Fund LP ("**Octagon Master**")	33,330	1,250,000
Octagon Coinvest Opportunities Fund LP ("**Octagon Opportunities**")	33,330	1,250,000
Verition Multi-Strategy Master Fund Ltd. ("**Verition**")	66,661	2,500,000
Hongtao Investment-I Ltd. ("**Hongtao**")	39,997	1,500,000
Quan Venture	106,659	4,000,000
Owap	66,661	2,500,000
BCeGFR Limited ("**BCeGFR**")	26,664	1,000,000
Sherpa Fund I	26,664	1,000,000
Suzhou Lirun*	207,218	7,771,236
Tianjin Huagai Hongming Equity Investment Partnership (Limited Partnership) (天津華蓋鴻銘股權投資合夥企業(有限合夥)) ("**HG Tianjin**")*	32,764	1,228,764

* obtained the Series B+ Warrant

(9) Pursuant to the relevant transaction agreements, the investors in Series A Investment, Series A+ Investment, Series B Investment and Series B+ Investment who held options and warrants were issued their corresponding preferred shares in Alebund Cayman. The respect options, warrants and loans were cancelled accordingly.

(10) Pursuant to the relevant transaction agreements relevant series Pre-C Investors (the "**Series Pre-C Investors**") either (i) subscribed for certain series pre-C preferred shares of Alebund Cayman or (ii) provided Shanghai Alebund with certain convertible loan with a principal of the RMB equivalent of the USD and purchased a warrant to subscribe for such number of series pre-C preferred shares in Alebund Cayman (the "**Series Pre-C Warrant**") as set out in the table below for a consideration equivalent to its principal loan amount (the "**Series Pre-C Offshore Investment**"). As the holder of the said warrant, Citrus was subject to the same shareholders' rights and obligations as other shareholders of Alebund Cayman as if its warrant has been exercised.

Series Pre-C Investors	Number of series Pre-C preferred shares in Alebund Cayman (assuming its warrant is exercised)	Consideration
		(USD)
Owap	74,495	3,000,000
LAV Fund VI	49,662	2,000,000
Quan Venture	12,415	500,000
3H	24,831	1,000,000
Octagon Master	6,207	250,000
Octagon Opportunities	6,207	250,000
Citrus Limited ("**Citrus**")*	24,831	1,000,000
Verition	62,079	2,500,000

* obtained the Series Pre-C Warrant

(11) Pursuant to the relevant terms in such restructuring agreement, Yangzhou Dingyi Start-up Investment Partnership (Limited Partnership) (揚州鼎毅創業投資合夥企業(有限合夥)) ("**Yangzhou Dingyi**"), Yangzhou Longtou Chuanghai I Industry Fund Partnership (Limited Partnership) (揚州龍投創海壹號產業基金合夥企業(有限合夥)) ("**Yangzhou Longtou**") and Yangzhou Guojin Emerging Industry Investment Fund (Limited Partnership) (揚州市國金新興產業投資基金合夥企業(有限合夥)) ("**Guojin Xinxing**") subscribed for USD263,384, USD87,795 and USD263,384 registered capital of our Company at a consideration of RMB30 million, RMB10 million and RMB30 million, respectively (the "**Series Pre-C Onshore Investment**"), together with Series Pre-C Offshore Investment, the "**Series Pre-C Investment**").

(12) Pursuant to the relevant share subscription and capital increase agreement, Guangxi Tencent, Yangzhou Guojin Libang Venture Capital Fund (Limited Partnership) (揚州國金禮邦創業投資基金(有限合夥)) ("**Yangzhou Guojin Libang**"), Beijing New Dynamic II Equity Investment Fund (Limited Partnership) (北京新動力二期股權投資基金(有限合夥)) ("**Beijing New Dynamic II**") subscribed for USD867,449, USD2,602,346 and USD281,921 registered capital of our Company at a consideration of RMB100 million, RMB300 million and RMB32.5 million, respectively. (the "**Series C Share Subscription**").

On the same day, a series of equity transfer agreements were entered into by, among others, certain of our then Shareholders, the details of which are listed below (the "**Series C Equity Transfers**", together with the Series C Share Subscription, the "**Series C Investment**"):

Name of the transferor	Name of the transferee	Number of registered capital in our Company	Consideration
		(USD)	*(RMB)*
Yangzhou Liyue	Guangxi Tencent	278,280	19,248,168
LAV Delta Limited	Guangxi Tencent	402,399	27,833,274
Suzhou Lirui	Guangxi Tencent	327,703	22,666,675
Thoth	Guangxi Tencent	159,782	11,051,857
Cliff Investment Pte. Ltd.	Guangxi Tencent	277,584	19,200,027
LAV Delta Limited	Beijing New Dynamic II	253,006	17,500,000

(13) Pursuant to the relevant share subscription agreement, the relevant Pre-[**REDACTED**] Investors subscribed for certain number of Shares in our Company at such consideration as set out in the table below (the "**Cross-over Share Subscription**").

Pre-[REDACTED] Investors participating the Cross-over Share Subscription	Number of Shares in the Company	Consideration
		(RMB or RMB equivalent)
Guangxi Tencent	8,989,909	120,000,000
Perfect Ten Holding Limited ("**Perfect Ten**")	2,247,477	30,000,000
LAV Efficacy Limited ("**LAV Efficacy**")	374,580	5,000,000
Suzhou Lirun	374,580	5,000,000
Phoenix Aurora Limited	1,498,318	20,000,000
LVC	5,993,273	80,000,000
Hainan Renze Zhenji Venture Investment Fund Partnership Enterprise (Limited Partnership) (海南仁澤真寄創業投資基金合夥企業(有限合夥)) ("**TruMed**")	749,159	10,000,000
Octagon Opportunities	2,622,057	35,000,000
Emerging Markets Healthcare Partners LLC ("**Exome**")	1,123,739	15,000,000
SymBiosis II, LLC ("**SymBiosis**")	1,123,739	15,000,000

Pursuant to the relevant equity transfer agreement, certain Shareholders transferred the Shares it held in our Company, the details of which are listed below (the "**Cross-over Equity Transfers**", together with the Cross-over Share Subscription, the "**Cross-over Investment**"):

Name of the transferor	Name of the transferee	Number of Shares in our Company	Consideration
			(RMB)
AleyuanGX	LVC	749,159	10,000,000

Name of the transferor	Name of the transferee	Number of Shares in our Company	Consideration
			(RMB)
Shanghai Liyizhen Management Consulting Partnership Enterprise (Limited Partnership) (上海禮一臻管理諮詢合夥企業(有限合夥)) ("**Shanghai Liyizhen**")	Shanghai Jishi Lemei Private Equity Investment Fund Partnership (Limited Partnership) (上海濟世樂美私募投資基金合夥企業(有限合夥)) ("**Shanghai Jishi Lemei**")	2,884,284	35,000,000
Shanghai Liyizhen	Shanghai Tanying Investment Partnership Enterprise (Limited Partnership) (上海檀英投資合夥企業(有限合夥)) ("**Shanghai Tanying**")	2,884,284	35,000,000
Ausvic	Loyal Earn Hong Kong Limited ("**Loyal Earn**")	1,517,931	18,417,562

(14) The Company's valuation at each round of Pre-[**REDACTED**] Investments was determined at arm's length negotiations with reference to, among others (i) the background of the relevant Pre-[**REDACTED**] Investors; (ii) the prospect, development and the milestone achieved for various products at the material time; and (iii) the then market conditions at each round of Pre-[**REDACTED**] Investments.

The increase in the Company's post-money valuation from the Series A Investment to the Series A+ Investment was mainly due to the IND clearance from NMPA and initiation of the Phase II clinical trial for our Core Product, AP301, in China.

The increase in the Company's post-money valuation from the Series A+ Investment to the Series B Investment was mainly due to the successful advancement of the AP301 Phase II clinical trial, which demonstrated our Company's strong execution capabilities and continued to lower the risk profile of the Company's lead assets.

The increase in the Company's post-money valuation from the Series B Investment to the Series B+ Investment was mainly due to the collaboration on AP306 from Chugai, which enriched our pipeline.

The increase in the Company's post-money valuation from the Series B+ Investment to the Series Pre-C Investment was mainly due to significant pipeline advancements, including the successful completion of the Phase II trial and the Phase III IND clearance in China for AP301, as well as the initiation of clinical trials for AP306 and AP303.

The increase in the Company's post-money valuation from the Series Pre-C Investment to the Series C Investment was mainly due to the transition of our Company to a commercialization-stage company through the Mircera® partnership with Roche as well as our other key regulatory milestones, such as the Breakthrough Therapy Designation (BTD) for AP306 from NMPA, the Orphan Drug Designation (ODD) for AP303 from the FDA, and the IND clearance from the FDA for the global Phase III trial of AP301.

The increase in the Company's post-money valuation from the Series C Investment to the Cross-over Investment was mainly due to our Core Product, AP301, successfully meeting its primary endpoint in the pivotal Phase III clinical trial in China for treating hyperphosphatemia in dialysis patients, significantly de-risking the asset ahead of its planned NDA submission.

The increase in the valuation of our Company from the Cross-over Investment, of which the investors of the Cross-over Investments negotiated the valuation of the commercial terms before July 2025 while reached final consenus on the investment terms in October 2025, was primarily due to (i) the business growth of our Company, in particular, the initiation of global phase III clinical trial of AP301, the completion of Phase Ib study in DKD patients in China for AP303, (ii) the prospects and potentials of our business and products, and (iii) the premium attached to the Shares of the Company as they become freely tradeable upon [**REDACTED**].

Special Rights of the Pre-[REDACTED] Investors

The Pre-[**REDACTED**] investors were granted certain special rights including but not limited to general redemption rights, special redemption rights, pre-emptive right, co-sale right, drag-along right, information rights and liquidation preferences. Pursuant to (i) a supplemental agreement to the then effective shareholders' agreement dated September 26, 2025, and (ii) a new shareholders' agreement and relevant supplemental agreements dated October 24, 2025 in connection with the Cross-over Investment,

(i) the general redemption rights granted to the Shareholders which were redeemable by the Company have been irrevocably terminated on September 26, 2025;

(ii) the special redemption rights, which are in essence the proceeds distribution rights in the events of material assets realization, were terminated on the date immediately preceding the date on which Company files its first listing application to the Stock Exchange, but will automatically be reinstated upon the occurrence of any of the following: the Company withdrawing its listing application, the rejection, return, termination or expiry of the Company's listing application, the listing not being completed within the

prescribed time period in any applicable regulatory approval (if any), or the listing not being completed within 24 months of the said agreement. Given that the events triggering the Special Redemption Rights are within the Company's control and do not impose a contractual obligation on the Company, the Company is not obligated to repurchase its own equity instruments by delivering cash or other financial assets; and

(iii) all other shareholders' special rights will automatically terminated upon [**REDACTED**] in compliance with the guidance in Chapter 4.2 of the Guide for New Listing Applicants.

PRC Legal Adviser's Confirmation

As advised by our PRC Legal Adviser, our Company has obtained all necessary approvals from competent PRC authorities or made all necessary registration or filings with the relevant local branch of SAMR in respect of the Pre-[**REDACTED**] Investments in material aspects set out above.

Compliance with the Pre-[REDACTED] Investment Guidance

On the basis that (i) the [**REDACTED**], being the first day of [**REDACTED**] of the Shares on the Stock Exchange, will take place no earlier than 120 clear days after completion of the Pre-[**REDACTED**] Investments, and (ii) all special rights granted to the Pre-[**REDACTED**] Investors as set out above have been or will be terminated upon [**REDACTED**], the Joint Sponsors confirm that the Pre-[**REDACTED**] Investments are in compliance with the guidance in Chapter 4.2 of the Guide for New Listing Applicants.

Information about our Pre-[REDACTED] Investors

Among our Pre-[**REDACTED**] Investors, Loyal Valley Capital (as defined and described below) is our Sophisticated Investor, which had made meaningful investment in our Company and will hold [**REDACTED**]% of our issued share capital upon the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised). Save as disclosed below, each of our Pre-[**REDACTED**] Investors, their respective general partners, limited partners or shareholders, and their respective ultimate beneficial owner or controller (where applicable) is an Independent Third Party. Set out below are details of our Pre-[**REDACTED**] Investors in our Company as of the Latest Practicable Date.

Sophisticated Investor

Loyal Valley Capital

Shanghai Tanying Investment Partnership Enterprise (Limited Partnership) (上海檀英創業投資合夥企業(有限合夥)) ("**Shanghai Tanying**") is a limited partnership established in the PRC on November 26, 2015 and is controlled and managed by its general partner, Shanghai Zhengxingu Investment Management Co., Ltd. (上海正心谷投資管理有限公司) ("**Shanghai Loyal Valley**") which is in turn controlled by Mr. Lin Lijun (林利軍) ("**Mr. Lin**"), the founder of Loyal Valley Capital. The sole limited partner of Shanghai Tanying is Shanghai Lejin Investment Partnership (Limited Partnership) (上海樂進投資合夥企業(有限合夥)) ("**Shanghai Lejin**"), which holds approximately 99.99% of its partnership interest and is also controlled by Shanghai Loyal Valley as its general partner. None of the limited partners of Shanghai Lejin holds 30% or more of its partnership interest.

Loyal Valley Capital Advantage Fund III LP ("**Loyal Valley Fund III**") is a private equity fund established on June 4, 2020 and the general partner of which is Loyal Valley Capital Advantage Fund III Limited, which is ultimately controlled by Mr. Lin. None of the limited partners of Loyal Valley Fund III holds 30% or more of its partnership interest.

Shanghai Jishi Lemei Private Equity Investment Fund Partnership (Limited Partnership) (上海濟世樂美私募投資基金合夥企業(有限合夥)) ("**Shanghai Jishi Lemei**") is a limited partnership established in the PRC. The general partner of Shanghai Jishi Lemei is Xiamen Zhengxincheng Enterprise Management Consulting Partnership (Limited Partnership) (廈門正心誠企業管理諮詢合夥企業(有限合夥)), which is ultimately controlled by Mr. Lin. Except for Wuxi Lelan Venture Capital Partnership Enterprise (Limited Partnership) (無錫樂嵐創業投資合夥企業(有限合夥)) ("**Wuxi Lelan**") which holds approximately 31.46% of its partnership interest, whose general partner is also Shanghai Loyal Valley, none of the other limited partners of Shanghai Jishi Lemei hold 30% or more of the partnership interest in Shanghai Jishi Lemei. With respect to Wuxi Lelan, except for Wang Shujun, an Independent Third Party, who holds approximately 47.73% of its partnership interest, and Shanghai Loyal Valley, who holds approximately 36.75% of its partnership interest, none of the other limited partners of Wuxi Lelan holds 30% or more of its partnership interest.

Loyal Valley Capital is a thematic, research-driven private equity firm focused on deep fundamental research and unlocking value through post-investment value-creation. It has been engaged in investment in the field of biotech and healthcare since its establishment in 2015. Loyal Valley Capital manages capital on behalf of a geographically diversified group of long-term institutional investors, including sovereign wealth funds, private banks, family offices, and fund of funds managers, from across the Americas, Europe, and Asia. The assets under management of Loyal Valley Capital were approximately RMB50 billion. Loyal Valley Capital has invested in several healthcare companies such as Shanghai Junshi Biosciences Co., Ltd. (上海君實生物醫藥科技股份有限公司) (stock code: 1877.HK; 688180.SH), Shanghai Henlius Biotech, Inc. (上海復宏漢霖生物技術股份有限公 司) (stock code: 2696.HK), InnoCare Pharma Limited (諾誠健華醫藥有限公司) (stock code: 9969.HK) and CARsgen Therapeutics Holdings Limited (科濟藥業控股有限公司) (stock code: 2171.HK).

Other Investors

Tencent

Guangxi Tencent Venture Capital Co., Ltd. (廣西騰訊創業投資有限公司) ("**Guangxi Tencent**") is a limited company established under the laws of the PRC, It is directly held as to 100% by Shenzhen Tencent Ruijian Investment Co., Ltd. (深圳市騰訊睿見投資有限公司), which is a subsidiary of Tencent Holdings Limited (stock code: 0700.HK (HKD counter) and 80700.HK (RMB counter)) ("**Tencent**"). Perfect Ten Holding Limited is an exempted limited company incorporated under the laws of the Cayman Islands, which is controlled by Tencent. Tencent is a leading provider of Internet value added services in the PRC. Each of Guangxi Tencent, Perfect Ten Holding Limited and Tencent is an Independent Third Party.

Guojin

Yangzhou Guojin Libang Venture Capital Fund (Limited Partnership) (揚州國金禮邦創業投資基金(有限合夥)) ("**Yangzhou Guojin Libang**") is a limited partnership registered under the laws of the PRC. Its general partner is Yangzhou Venture Capital Co., Ltd. (揚州市創業投資有限公司) ("**Yangzhou VC**"). Yangzho VC is wholly owned by Yangzhou Modern Financial Investment Group Co., Ltd. (揚州市現代金融投資基金有限責任公司), which is wholly owned by Yangzhou Guojin Investment Group Co., Ltd. (揚州市國金投資集團有限公司) ("**Guojin Group**"). Yangzhou Guojin Investment Group Co., Ltd. is held by Yangzhou Municipal Finance Bureau (揚州市財政局) as to 70.78%. Except for Yangzhou Biopharmaceuticals Industry Investment Fund (Limited Partnership) (揚州市生物醫藥產業投資基金(有限合夥)), a limited partnership with Yangzhou VC being its general partner and no limited partners holding 30% or more partnership interest therein, and Yangzhou Longtou Xingzhi I (as defined below), holding approximately 63.30% and 30.00% partnership interests, respectively, none of the other limited partners of Yangzhou Guojin Libang holds 30% or more partnership interest therein. Yangzhou Guojin Libang is a fund for investing specifically in the Company.

Yangzhou Guojin Emerging Industry Investment Fund (Limited Partnership) (揚州市國金新興產業投資基金合夥企業(有限合夥)) ("**Guojin Xinxing**") is a limited partnership registered under the laws of the PRC. Its general partner is Yangzhou VC. In Guojin Xinxing, no single limited partner holds 30% or more partnership interest. Guojin Xinxing is a fund focused on investing in projects within national strategic emerging sectors such as new materials, new energy vehicles, high-end equipment manufacturing, next-generation information technology, and energy conservation and environmental protection. Guojin Xinxing is an Independent Third Party.

Guojin Group was established in November 2022 by the Yangzhou Government to manage government funds and invest in financial institutions on its behalf and leverage additional capital to support the high quality economic and social development of Yangzhou City. The Group has an integrated business scope including, among others, financial industry investment, quasi-financial industry investment, fund investment and management, industrial investment, capital market intermediary services, and property rights trading services.

LAV USD

Each of LAV Delta Limited, LAV Orchid Limited and LAV Efficacy Limited (together with LAV Delta Limited and LAV Orchid Limited, "**LAV USD**") is a limited company incorporated under the laws of the British Virgin Islands.

LAV Delta Limited is wholly owned by LAV Biosciences Fund IV, L.P. ("**LAV IV**"). The general partner of LAV IV is LAV GP IV, L.P. which holds 100% of the voting rights, whose general partner is LAV Corporate IV GP which holds 100% of the voting rights, Ltd., a Cayman exempted company wholly owned by Dr. Yi SHI ("**Dr. Shi**"), an Independent Third Party.

LAV Orchid Limited is wholly owned by LAV Fund VI, L.P. ("**LAV VI**"). The general partner of LAV VI is LAV GP VI, L.P. which holds 100% of the voting rights, whose general partner is LAV Corporate VI GP, Ltd. which holds 100% of the voting rights, a Cayman exempted company wholly owned by Dr. Shi.

LAV Efficacy Limited is wholly owned by LAV Fund VI Opportunities, L.P. ("**LAV VI Opportunities**"). The general partner of LAV VI Opportunities is LAV GP VI Opportunities which holds 100% of the voting rights, L.P., whose general partner is LAV Corporate VI GP Opportunities, Ltd. which holds 100% of the voting rights, a Cayman exempted company wholly owned by Dr. Shi.

LAV USD are within a group of offshore investment vehicles, the investments of which are denominated in U.S. dollar, controlled by Dr. Shi ("**LAV USD Group**"). LAV USD Group has over 15 years of industry experience in biotechnology, healthcare and related fields. As of the Latest Practicable Date, LAV USD Group had assets under management of approximately US$4.9 billion and invested in over one hundred portfolios covering all major sectors of the biomedical and healthcare industry including biopharmaceuticals, medical devices, diagnostics and healthcare services, examples including ArriVent BioPharma, Inc. (stock code: AVBP.Nasdaq), Abbisko Cayman Limited (stock code: 2256.HK) and Jacobio Pharmaceuticals Group Co., Ltd. (stock code: 1167.HK). Dr. Lu An, a non-executive Director, also serves as a vice president of LAV.

Shanghai Liyi

Each of Suzhou Lirui Equity Investment Center (Limited Partnership) (蘇州禮瑞股權投資中心(有限合夥)) and Suzhou Lirun Equity Investment Center (Limited Partnership) (蘇州禮潤股權投資中心(有限合夥)) ("**Suzhou Lirun**") is a limited partnership established in the PRC.

The general partner of Suzhou Lirui is Shanghai Liyi Investment Management Partnership (LP) (上海禮貽投資管理合夥企業(有限合夥)) ("**Liyi Investment**"). The general partner of Liyi Investment is Shanghai Liyao Investment Management Co., Ltd. (上海禮曜投資管理有限公司) ("**Shanghai Liyao**"), which is in turn wholly owned by Dr. Chen Fei (陳飛), an Independent Third Party. Liyi Investment is held as to 49% and 50% by Dr. Chen Fei and Zeng Zerong, respectively. No limited partner of Suzhou Lirui holds over 30% interest in Suzhou Lirui.

The general partner of Suzhou Lirun is Shanghai Likun Enterprise Management Partnership (LP) (上海禮堃企業管理合夥企業(有限合夥)) ("**Shanghai Likun**"). The general partner of Shanghai Likun is Shanghai Liyao, which is in turn wholly owned by Dr. Chen Fei. Shanghai Likun is held as to 49% and 50% by Dr. Chen Fei and Zeng Zerong, respectively. No limited partner of Suzhou Lirun holds over 30% interest in Suzhou Lirun.

As of the Latest Practicable Date, Liyi Investment, Shanghai Likun, and their respective affiliates, all controlled by Dr. Chen Fei (together, "**Liyi Investment Group**"), had assets under management of approximately US$1.9 billion. Liyi Investment Group dedicated its investments since 2014 primarily to healthcare and biotech companies including Duality Biotherapeutics, Inc. (stock code: 9606.HK), and Terns Pharmaceuticals, Inc. (stock code: TERN.Nasdaq).

Quan Capital

QC Six Limited is a limited company incorporated under the laws of Hong Kong. It is wholly owned by Quan Venture Fund II, L.P. The general partner of Quan Venture Fund II, L.P. comprises Ying Du, Marietta Wu and Stella Xu, each holding less than 5% partnership interest therein. None of its limited partners holds 30% or more partnership interest therein. QC Six Limited principally engages in equity investment. Mariette Wu is a former director of the Company within 12 months before the [**REDACTED**], therefore Marietta Wu, QC Six Limited and Quan Venture Fund II, L.P. are connected persons of our Company at of the [**REDACTED**].

Quan Capital is a life sciences venture capital firm with strong China expertise and global capabilities. The firm discovers, incubates and grows next-generation life science companies in early and growth stage, worldwide. Quan's portfolio companies pioneer differentiated therapies and enabling technologies to address major human diseases with high unmet medical needs, including Arcellx, Inc. (stock code: ACLX.NASDAQ), Design Therapeutics, Inc. (stock code: DSGN.NASDAQ), Zenas Bio, Inc. (stock code: ZBIO.NASDAQ) and Alebund.

GIC

Cliff Investment Pte. Ltd. is a limited liability company incorporated under the laws of Singapore. It is wholly-owned by Enterprise Holding Pte Ltd and is managed by GIC Special Investments Private Limited which is in turn wholly-owned by GIC Private Limited ("**GIC**"). GIC is a global investment firm established in 1981 to manage Singapore's foreign reserves. GIC invests worldwide in equities, fixed income, foreign exchange, commodities, money markets, alternative investments, real estate and private equity. GIC is amongst the world's largest fund management companies.

Dezhou Liangyi

Dezhou Liangyi Mifang Health Venture Capital Partnership (Limited Partnership) (德州兩儀冪方康健創業投資合夥企業(有限合夥)) ("**Dezhou Liangyi**") is a limited partnership registered under the laws of the PRC. Its general partner is Mifang Capital Management (Beijing) Co., Ltd. (冪方資本管理(北京)有限公司), which is wholly owned by Shanghai Mifang Asset Management Co., Ltd. (上海冪方資產管理有限公司). The ultimate controller of Shanghai Mifang Asset Management Co., Ltd. is Zhou Yujian (周玉建). In Dezhou Liangyi, no single limited partner holds 30% or more partnership interest. Dezhou Liangyi is a fund focused on investments in the healthcare sector.

VICTORY EAGLE GROUP LIMITED

VICTORY EAGLE GROUP LIMITED is a limited company incorporated under the laws of the British Virgin Islands and is wholly owned by 3H Health Investment Fund II, L.P. The general partner of 3H Health Investment Fund II, L.P. is 3H Health Investment GP II Ltd., which is ultimately controlled by Mr. Wang Shunlong (王順龍). None of the other limited partners of 3H Health Investment Fund II, L.P. holds 30% or more of its partnership interests. 3H Health Investment Fund II, L.P. is a fund specializing in investments in sectors related to life sciences, healthcare and technology.

3E Bio

Beijing Yuanqing Bencao Equity Investment Center, L.P. (北京元清本草股權投資中心(有限合夥)) ("**3E Bio**") is a limited partnership registered under the laws of the PRC. Its general partner is Nantong Sanyi Tongxing Management Consulting Center (Limited Partnership) (南通三益同興管理諮詢中心(有限合夥)) ("**Nantong Sanyi**"), the general partner of which is Beijing Sanyi Investment Management Co., Ltd. (北京三益投資管理有限公司). The de facto controller of Beijing Sanyi Investment Management Co., Ltd. is Ms. Liu Qianye (劉千葉). No single limited partner holds 30% or more partnership interest in 3E Bio or Nantong Sanyi. 3E Bio is a fund focused on equity investment with a specialization in healthcare industry with investments spanning areas such as novel drug development, medical devices, clinical diagnostics and healthcare services.

Huagai Capital

Shanghai Liyizhen Management Consulting Partnership Enterprise (Limited Partnership) (上海禮一臻管理諮詢合夥企業(有限合夥)) ("**Shanghai Liyizhen**") is a limited partnership registered under the laws of the PRC. Its general partner is Huagai Shangzhen Healthcare Investment Management (Suzhou) Co., Ltd. (華蓋尚臻醫療投資管理(蘇州)有限公司) ("**Huagai Shangzhen**"), which is held by Huagai Healthcare Investment Management (Beijing) Co., Ltd. (華蓋醫療投資管理(北京)有限公司)) ("**Huagai Healthcare Investment**") as to 75%. Huagai Healthcare Investment is controlled by Huagai Capital Co., Ltd. (華蓋資本有限責任公司) ("**Huagai Capital**") as to 79%. In Shanghai Liyizhen, its limited partner, Suzhou Huagai Yizhen Equity Investment Partnership Enterprise (Limited Partnership) (蘇州華蓋一臻股權投資合夥企業(有限合夥)), a limited partnership with Huagai Shangzhen being its general partner and no limited partner holding 30% or more partnership interest, holds 99% partnership interest. Shanghai Liyizhen is an investment fund.

Shanghai Liyuanzhen Management Consulting Partnership Enterprise (Limited Partnership) (上海禮元臻管理諮詢合夥企業(有限合夥)) ("**Shanghai Liyuanzhen**") is a limited partnership registered under the laws of the PRC. Its general partner is Huagai Healthcare Investment. In Shanghai Liyuanzhen, its limited partner, Tianjin Huagai Hongming Equity Investment Partnership Enterprise (Limited Partnership) (天津華蓋鴻銘股權投資合夥企業(有限合夥)), a limited partnership with Huagai Shangzhen being its general partner and no limited partner holding 30% or more partnership interest, holds 99% partnership interest. Shanghai Liyuanzhen is an investment fund.

Huagai Capital is a company established in the PRC with assets under management of approximately RMB26 billion as of June 30, 2025. Except for Mr. Xu Xiaolin (許小林) and Mr. Lu Binghui (鹿炳輝) being its ultimate controller, and Liaoning Chengda Co., Ltd. (遼寧成大股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600739.HK) who holds 30% equity interest in Huagai Capital, none of the other shareholders of Huagai Capital holds 30% or more equity interest therein or control Huagai Capital. Huagai Capital has invested in several healthcare and biotech companies, including Shenzhen Kangtai Biological Products Co., Ltd. (深圳康泰生物製品股份有限公司)(stock code: 300601.SZ), Hygeia Healthcare Holding Co., Ltd. (海吉亞醫療控股有限公司)(stock code: 6078.HK) and Shanghai Micurx Pharmaceutical Co., Ltd. (上海盟科藥業股份有限公司) (stock code: 688373.SH).

Beijing New Dynamic II

Beijing New Dynamic II Equity Investment Fund (Limited Partnership) (北京新動力二期股權投資基金(有限合夥)) ("**Beijing New Dynamic II**") is a limited partnership established under the laws of the PRC. Its general partner is Beijing Xicheng Yongtai Management Consulting Partnership Enterprise (Limited Partnership) (北京熙誠永泰管理諮詢合夥企業(有限合夥) ("**Xicheng Yongtai**")), the general partner of which is Beijing Xiyi Management Consulting Co., Ltd. (北京熙壹管理諮詢有限公司) ("**Xiyi Consulting**"). Except for (i) Beijing Xicheng Capital Holding Co., Ltd. (北京熙誠資本控股有限公司) ("**Xicheng Capital**") holding 40% of its partnership interest, which is wholly owned by Beijing Financial Street Capital Operation Group Co., Ltd. (北京金融街資本運營集團有限公司) and in turn wholly owned by the State Owned Assets Supervision and Administration Commission of Xicheng District People's Government of Beijing (北京市西城區人民政府國有資產監督管理委員會) ("**Xicheng SASAC**"), and (ii) Gongqingcheng Xicheng Zhengxin Investment Partnership Enterprise (Limited Partnership) (共青城熙誠正鑫投資合夥企業(有限合夥)), a limited partnership whose general partner is Zheng Xiao with no limited partners holding 30% or more of its partnership interest, none of the other limited partners of Xicheng Yongtai holds 30% or more of its partnership interests. Xiyi Consulting is held indirectly by the Xicheng SASAC as to 40%, Beijing Xicheng Zhengqi Management Consulting Partnership Enterprise (Limited Partnership) (北京熙誠正奇管理諮詢合夥企業(有限合夥)) ("**Xicheng Zhengqi**") as to 30%, and other minority shareholders in aggregate as to 30%. The general partner of Xicheng Zhengqi is Zhang Jinglai (張敬來). Except for Chen Leiwen who holds approximately 61.53% of its partnership interest, none of the other limited partners of Xicheng Zhengqi holds 30% or more of its partnership interests.

In Beijing New Dynamic II, except for Xicheng Capital and Guofengtou Venture Investment Fund Co., Ltd. (國風投創新投資基金股份有限公司) ("**Guofengtou**") holding approximately 44.20% and 40.18% partnership interests, respectively, none of the remaining limited partners hold 30% or more partnership interest. Guofengtou is a company held as to 50% by China Venture Capital Fund Corporation Ltd. (中國國有資本風險投資基金股份有限公司), which is in turn held as to approximately 35.29%, by Guoxin (Shenzhen) Investment Co., Ltd. (國新(深圳)投資有限公司) ("**Guoxin Shenzhen**"), which was indirectly wholly-owned by the State Council. None of the other shareholders of Guofengtou or Guoxin Shenzhen holds 30% or more equity interest therein.

Beijing New Dynamic II is a fund focused on investment opportunities in the fields of new energy, intelligent industrials, healthcare and digital industry, which is managed by Beijing Xicheng Jinrui Venture Capital Management Co., Ltd. (北京熙誠金睿股權投資基金管理有限公司) ("**Kingray Capital**"). Kingray Capital focuses on healthcare and technology investments, with assets under management exceeding RMB10 billion. Its healthcare investment team possesses extensive investment experience. In addition to the Company, it has also invested in companies such as Shanghai MicroPort Edvcl MdTch Grp Co Ltd (上海微創心脈醫療科技(集團)股份有限公司) (stock code 688016.SH), Hualan Biological Vaccine Inc (華蘭生物疫苗股份有限公司) (stock code: 301207. SZ), Zhuhai Trinomab Pharmaceutical Co., Ltd. (珠海泰諾麥博製藥股份有限公司), IMPACT Therapeutics, Inc. (南京英派藥業股份有限公司), Atom Therapeutics Co., Ltd. (杭州新元素藥業股份有限公司), etc.

Sherpa Healthcare

OCXPROURO Limited ("**OCXPROURO**") is a limited company incorporated in the British Virgin Islands, and is wholly owned by Sherpa Healthcare Fund I, L.P. Sherpa Healthcare Fund I, GP, Ltd. is the general partner of Sherpa Healthcare Fund I, L.P. ROSY LEAD HOLDING LIMITED ("**ROSY LEAD**") is a limited company incorporated in the British Virgin Islands, and is wholly owned by Sherpa Healthcare Co-Investment Fund. Sherpa Healthcare Co-Investment GP Ltd. is the general partner of Sherpa Healthcare Co-Investment Fund. Apart from a US public pension fund — a trust fund organized and existing under the laws of a state of the United States — which holds more than 30% in Sherpa Healthcare Fund I, L.P. and Sherpa Healthcare Co-Investment Fund, none of the other limited partners of Sherpa Healthcare Fund I, L.P. and Sherpa Healthcare Co-Investment Fund holds 30% or more partnership interest therein, respectively. Both Sherpa Healthcare Fund I, GP, Ltd. and Sherpa Healthcare Co-Investment GP Ltd. are ultimately controlled by Mr. Daqing CAI as UBO, an Independent Third Party respectively.

Together with its affiliates, Sherpa Healthcare Partners specializes in investments in the healthcare sector, including biotech, pharmaceuticals, medical devices, equipment and diagnostics, healthcare services and healthcare-related information technology and mobile technology companies. The portfolio companies of Sherpa Healthcare Partners and its affiliates include Shanghai HeartCare Medical Technology Corporation Limited (上海心瑋醫療科技股份有限公司) (stock code: 6609.HK) and Visen Pharmaceuticals (stock code: 2561.HK).

Octagon Investments

Octagon Investments Master Fund LP ("**Octagon Master**") is an exempted limited partnership registered under the laws of the Cayman Islands. Its general partner is Octagon Investments GP, LLC ("**Octagon Investments GP**"), a limited liability company incorporated under the laws of the Cayman Islands, which is ultimately owned by Dr. Ting Jia, who possesses over 20 years of industry investment experience in biotechnology and healthcare sectors. None of Octagon Master's limited partners holds 30% or more of the partnership interests. Octagon Master is an investment fund focusing on investments in public and private healthcare companies globally.

Octagon Coinvest Opportunities Fund LP ("**Octagon Opportunities**") is a limited partnership registered under the laws of Delaware, in the USA. Its general partner is Octagon Investments GP. None of Octagon Opportunities' limited partners holds 30% or more of the partnership interests. Octagon Opportunities is an investment fund focusing on investments in private healthcare companies globally.

Andorra Investment Limited

Andorra Investment Limited is a limited liability company incorporated under the laws of Hong Kong principally engaged in investment holding. It is directly held 100% by Morningside Venture (l) Investments Limited ("**Morningside Venture (I)**") which focuses on investment in life science sector including biopharmaceuticals, medical devices, diagnostics and healthcare services. Morningside Venture (I) is ultimately owned by a family trust established by Ms. Chan Tan Ching Fen.

YuanBio Venture Capital II L.P.

YuanBio Venture Capital II L.P. is an exempted limited partnership registered under the laws of the Cayman Islands. Its general partner is YuanBio Venture Capital II GP Ltd., a limited company incorporated under the laws of the Cayman Islands, which is ultimately controlled by Mr. Chen Jie (陳傑). In YuanBio Venture Capital II L.P., none of its single limited partners holds 30% or more partnership interest. It is a fund focused on investing in the early-stage and growth-stage life sciences and healthcare sectors.

Verition Multi-Strategy Master Fund Ltd.

Verition Multi-Strategy Master Fund Ltd. is an exempted company incorporated on 16 May 2008 in the Cayman Islands. It is managed by Verition Fund Management LLC ("**Verition**"), which is a subsidiary of Verition Fund Management NY, Inc. who holds 75% or more interest in Verition and is in turn held as to 75% or more by Mr. Nicholas Maounis. Verition is an investment firm founded in 2008, headquartered in Connecticut, with offices in New York, London, Dubai, Singapore and Hong Kong. Verition manages a multi-strategy, multi-manager hedge fund focused on global investment strategies including Credit, Fixed Income & Macro, Convertible & Volatility Arbitrage, Event-Driven, Equity Long/Short & Capital Markets Trading, and Quantitative Strategies. As part of its investment activities, Verition seeks to construct a diversified portfolio with low correlation to traditional and alternative asset classes and consistently attractive risk adjusted returns. As of the date of October 1, 2025, Verition Multi-Strategy Master Fund Ltd. has approximately US$13.7 billion in assets under management and approximately 500 investment professionals globally. Verition Multi-Strategy Master Fund Ltd. has two feeder funds, Verition International Multi-Strategy Fund Ltd. and Verition Multi-Strategy Fund LLC, each of whom is also managed by Verition. There is no ultimate beneficial owner holding more than 30% of any one of Verition Multi-Strategy Master Fund Ltd., Verition International Multi-Strategy Fund Ltd. or Verition Multi-Strategy Fund LLC.

Yangzhou Dingyi

Yangzhou Dingyi Start-up Investment Partnership (Limited Partnership) (揚州鼎毅創業投資合夥企業(有限合夥)) ("**Yangzhou Dingyi**") is a limited partnership registered under the laws of the PRC. Its general partner is Jiangsu Dingxin Capital Management Co., Ltd. (江蘇鼎信資本管理有限公司), which is held by Jiangsu Huaxia Huijin Investment Management Co., Ltd. (江蘇華夏匯金投資管理有限公司) ("**Huaxia Huijin**") and Jiangsu Dingxin Consulting Co., Ltd. (江蘇鼎信諮詢有限公司) as to 50% each. Huaxia Huijin is held by Liu Ting (柳婷) as to 77.40%. Jiangsu Dingxin Consulting Co., Ltd. is controlled by Huaxia Huijin. In Yangzhou Dingyi, Yangzhou Shengtai Industrial Merchants Development Co., Ltd. (揚州盛泰產業招商發展有限公司) ("**Yangzhou Shengtai**") holds 99.95% partnership interest. Yangzhou Shengtai was held as to 70% by Yangzhou Shengchuang Holding Co., Ltd. (揚州盛創控股有限公司) and 30% by Yangzhou Hanjiang Technology Enterprise Listing Base Co., Ltd. (揚州市邗江科技企業上市基地有限公司), both of which are ultimately controlled by Yangzhou Municipal Government. Yangzhou Dingyi is a fund focused on venture capital investment.

Loyal Earn Hong Kong Limited

Loyal Earn Hong Kong Limited is a limited company incorporated in Hong Kong, which is wholly owned by Mr. Shou Bainian (壽柏年) through Loyal Earn Limited.

Phoenix Aurora Limited

Phoenix Aurora Limited is a BVI business company incorporated in the British Virgin Islands and is wholly owned by Mr. Lin Hongli (林宏歷).

Fortuna

Fortuna Limited ("**Fortuna**") is a company incorporated in the British Virgin Islands, with AleyuanGX Limited holds one and all of its class A shares with voting rights. The remaining 10,000 class B shares with no voting rights of Fortuna is also held by **Loyal Valley Fund III**.

BCeGFR

BCeGFR Limited ("**BCeGFR**") is a company incorporated in the British Virgin Islands, with AleyuanGX Limited holds one and all of its voting shares. The remaining 10,000 class B shares with no voting rights of BCeGFR is held by Core International Trading Group SDN.BHD. (formerly known as Core Construction Group SDN. BHD.), a company incorporated in Malaysia which is wholly owned by Yin Weibiao.

Suzhou Luanbu

Suzhou Luanbu Nuojin Investment Center (Limited Partnership) (蘇州欒布諾瑾投資中心(有限合夥)) ("**Suzhou Luanbu**") is a limited partnership registered under the laws of the PRC. Its general partner is Shanghai Nuojin Asset Managements Co., Ltd. (上海諾瑾資產管理有限公司) ("**Shanghai Nuojin**"), which is held by Han Baoshi (韓寶石) as to 74.5%. In Suzhou Luanbu, its limited partner Sun Xiaoping (孫小平) holds 99.98% partnership interest. Suzhou Luanbu is a fund focused on investments in the healthcare sector and its general partner, Shanghai Nuojin, possesses years of industry investment experience in the healthcare sector and has invested in companies such as SAFE Pharmaceutical Technology Co., Ltd. (北京賽賦醫藥研究院有限公司), Shanghai Hanyu Medical Technology Co., Ltd. (上海捍宇醫療科技股份有限公司), Beijing Ansong Technology Co., Ltd. (北京安頌科技有限公司), etc.

Xiamen Qianshan

Xiamen Qianshan Qiyong Investment Partnership (Limited Partnership) (廈門千杉啟永投資合夥企業(有限合夥)) ("**Xiamen Qianshan**") is a limited partnership registered under the laws of the PRC. Its general partner is Xiamen Qianshan Yunfan Asset Management Co., Ltd. (廈門千杉雲帆資產管理有限公司), which is wholly owned by Xianmen Qianshan Investment Co., Ltd. (廈門千杉投資有限公司). The ultimate controller of Xianmen Qianshan Investment Co., Ltd. is Lin Huiqi (林慧奇). In Xiamen Qianshan, its limited partner Zheng Qinghua (鄭慶華) holds 44.5% partnership interest; no other single limited partner holds 30% or more partnership interest. Xiamen Qianshan is a venture capital fund focused on new technology and healthcare sectors, investing in startups, early-stage and growth companies. The fund covers areas including innovative drugs, medical devices, diagnostics, smart manufacturing and emerging technologies, and has directly and indirectly invested in over 150 enterprises across healthcare, life sciences and advanced technology. The management team brings forward-looking strategic vision and specialized venture capital experience to the fund.

Emerging Markets Healthcare Partners LLC

Emerging Markets Healthcare Partners LLC ("**EMHCP**") is a limited liability company registered under the laws of Delaware, U.S., as a hedge fund. The general partner of EMHCP is Exome Asset GP LLC. Exome Asset Management LLC is the investment manager of EMHCP. Samuel D. Isaly is the ultimate beneficial owner of Exome Asset GP LLC and Exome Asset Management LLC. EMHCP is held by more than 30 limited partners and none of the limited partners hold more than 30% interests in this fund. EMHCP is an investment vehicle focusing on investments in the healthcare sector. EMHCP has invested in the biopharmaceutical sector for approximately seven years. Its Chief Investment Officer, Mr. Samuel D. Isaly, has over 40 years of healthcare investment experience. The investment team of EMHCP focuses on biotechnology and healthcare opportunities and is composed of professionals with biomedical and healthcare investment backgrounds. EMHCP has invested in other healthcare companies, including but not limited to Duality Biotherapeutics, Inc. (stock code: 9606.HK).

SymBiosis II

SymBiosis II, LLC ("**SymBiosis II**") is a limited liability company established under the laws of Delaware, United States. SymBiosis II is an investment fund majority-owned by 801 Investments, LLC, a company wholly owned and controlled by Thomas Layton Walton and none of the other members holds 30% or more interests in SymBiosis II. SymBiosis II is controlled by its manager, SymBiosis Capital Partners, LLC, a limited liability company established under the laws of Delaware, United States, and Registered Investment Advisor registered with the US SEC. SymBiosis Capital Partners, LLC is controlled by its Managing Partner, Chidozie Ugwumba, MBA, CFA, who has 19 years of investment experience across public equity, private equity, private credit, private infrastructure and venture capital, including 7 years as a biotech specialist. SymBiosis Capital Partners, LLC, is majority-owned by 801 Investments, LLC, which is in turn wholly owned and controlled by Thomas Layton Walton. The principal business activity of SymBiosis Capital Partners, LLC is to invest in public and private biotechnology companies. SymBiosis II's investment team has significant scientific, medical, investment and biotech operational experience across drug discovery, drug development, drug manufacturing, clinical and regulatory functions. SymBiosis II has extensive experience investing in biotech and healthcare companies including AdvanCell, Evommune, Metsera, Neurona Therapeutics and Parabilis Medicines. SymBiosis II's assets under management are approximately USD 350 million.

Hongtao Investment-I Ltd

Hongtao Investment-I Ltd is a limited company incorporated under the laws of the Cayman Islands. It is wholly owned by ZHAO TAO. Functioning as a family investment platform, Hongtao Investment-I Ltd principally engages in investment activities with proprietary funds for family asset allocation and management.

Yangzhou Longtou

Yangzhou Longtou Chuanghai I Industry Fund Partnership (Limited Partnership) (揚州龍投創海壹號產業基金合夥企業(有限合夥)) ("**Yangzhou Longtou**") is a limited partnership registered under the laws of the PRC. Its general partner is Yangzhou Longtou Yiheng Venture Capital Center (Limited Partnership) (揚州龍投毅恒創業投資中心(有限合夥)) ("**Yangzhou Longtou Yiheng**"), whose general partner is Yangzhou Yiheng Enterprise Management Co., Ltd. (揚州毅恒企業管理有限公司), a company held as to 55% by Yangzhou Longchuan Holdings Financial Investment Co., Ltd. (揚州龍川控股金融投資有限公司) ("**Yangzhou Longchuan Financial Investment**") and 45% by Nai Jingjing. The sole limited partner of Yangzhou Longtou Yiheng is a wholly-owned subsidiary of Yangzhou Longchuan Financial Investment. Yangzhou Longchuan Financial Investment is wholly owned by Yangzhou Longchuan Holdings Group Co., Ltd. (揚州龍川控股集團有限責任公司) ("**Yangzhou Longchuan Holdings**"), which is indirectly wholly owned by the People's Government Office of Yangzhou City (揚州市人民政府辦公室). In Yangzhou Longtou, its limited partners, Yangzhou Longchuan Financial Investment and Yangzhou Longtou Xingzhi I Industry Investment Fund Partnership Enterprise (Limited Partnership) (揚州龍投興質一期產業投資基金合夥企業(有限合夥)) ("**Yangzhou Longtou Xingzhi I**"), holds 52.4% and 36.1% partnership interests, respectively; the remaining limited partner holds less than 30% partnership interest. Yangzhou Longtou Xingzhi I is a limited partnership with (i) Yangzhou Longtou Yiheng being its general partner, and (ii) Yangzhou Longchuan Financial Investment being its sole limited partner. Yangzhou Longtou is a fund focused on equity investment.

TruMed

Hainan Renze Zhenji Venture Investment Fund Partnership Enterprise (Limited Partnership) (海南仁澤真寄創業投資基金合夥企業(有限合夥)) ("**TruMed**") is a limited partnership registered under the laws of the PRC. Its general partner is Hainan Zhenmai Private Equity Fund Management Partnership Enterprise (Limited Partnership) (海南真脈私募基金管理合夥企業(有限合夥)), a limited partnership registered in Sanya, Hainan, the PRC, the de facto controller of which is TruMed Investment Management Limited (真脈投資管理有限公司), a Hong Kong company wholly-owned by Ms. Ting Wang. Except for Shenzhen Leren Technology Co., Ltd. (深圳市樂仁科技有限公司), a company owned as to 99% by Li Li, no other limited partners of TruMed holds 30% or more partnership interest therein. It is a fund focused on investment in the healthcare industry.

CAPITALIZATION

Our Company has applied for H-share full circulation to convert certain Unlisted Shares into H Shares after the [**REDACTED**]. The table below is a summary of the capitalization of our Company as at the Latest Practicable Date and the [**REDACTED**]:

	As of the Latest Practicable Date		Immediately upon completion of the [REDACTED][(1)]		
Shareholders	**Number of Unlisted Shares**	**Ownership percentage (approx.)**	**Number of Unlisted Shares**	**Number of H Shares**	**Ownership percentage (approx.)**
Single Largest Shareholders Group[(2)]					
Aleyuan Inc.[(4)]	4,631,750	1.6361%	[REDACTED]	[REDACTED]	[REDACTED]%
Dr. Gavin Xia	285	0.0001%	[REDACTED]	[REDACTED]	[REDACTED]%
Aleyuan GX[(4)]	11,866,156	4.1917%	[REDACTED]	[REDACTED]	[REDACTED]%
Dr. Tian	285	0.0001%	[REDACTED]	[REDACTED]	[REDACTED]%
AleyuanJT[(4)]	6,844,123	2.4176%	[REDACTED]	[REDACTED]	[REDACTED]%
Aleyuan Limited[(4)]	4,601,037	1.6253%	[REDACTED]	[REDACTED]	[REDACTED]%
Shanghai Chunyuan[(3)]	1,815,215	0.6412%	[REDACTED]	[REDACTED]	[REDACTED]%
Yangzhou Liyue	21,124,229	7.4618%	[REDACTED]	[REDACTED]	[REDACTED]%
Ms. Wang Yun	285	0.0001%	[REDACTED]	[REDACTED]	[REDACTED]%
Dr. Zhang Huading	285	0.0001%	[REDACTED]	[REDACTED]	[REDACTED]%

	As of the Latest Practicable Date		Immediately upon completion of the [REDACTED][(1)]		
Shareholders	**Number of Unlisted Shares**	**Ownership percentage (approx.)**	**Number of Unlisted Shares**	**Number of H Shares**	**Ownership percentage (approx.)**
Shanghai Yuanyue	16,338,132	5.7712%	[REDACTED]	[REDACTED]	[REDACTED]%
Fortuna	1,517,931	0.5362%	[REDACTED]	[REDACTED]	[REDACTED]%
BCeGFR	623,742	0.2203%	[REDACTED]	[REDACTED]	[REDACTED]%
Subtotal:	***69,363,455***	***24.5018%***	[REDACTED]	[REDACTED]	[REDACTED]**%**
Tencent					
Guangxi Tencent	30,965,311	10.9381%	[REDACTED]	[REDACTED]	[REDACTED]%
Perfect Ten	2,247,477	0.7939%	[REDACTED]	[REDACTED]	[REDACTED]%
Subtotal:	***33,212,788***	***11.7320%***	[REDACTED]	[REDACTED]	[REDACTED]**%**
Guojin					
Yangzhou Guojin Libang	24,722,321	8.7328%	[REDACTED]	[REDACTED]	[REDACTED]%
Guojin Xinxing	2,502,151	0.8838%	[REDACTED]	[REDACTED]	[REDACTED]%
Subtotal:	***27,224,472***	***9.6166%***	[REDACTED]	[REDACTED]	[REDACTED]**%**
LAV USD					
LAV Delta	18,068,978	6.3826%	[REDACTED]	[REDACTED]	[REDACTED]%
LAV Orchid	5,162,925	1.8237%	[REDACTED]	[REDACTED]	[REDACTED]%
LAV Efficacy Limited	374,580	0.1323%	[REDACTED]	[REDACTED]	[REDACTED]%
Subtotal:	***23,606,483***	***8.3386%***	[REDACTED]	[REDACTED]	[REDACTED]**%**
Shanghai Liyi					
Suzhou Lirui	10,415,235	3.6790%	[REDACTED]	[REDACTED]	[REDACTED]%
Suzhou Lirun	5,802,840	2.0498%	[REDACTED]	[REDACTED]	[REDACTED]%
Subtotal:	***16,218,075***	***5.7288%***	[REDACTED]	[REDACTED]	[REDACTED]**%**
Loyal Valley Capital					
Loyal Valley Fund III	12,356,256	4.3647%	[REDACTED]	[REDACTED]	[REDACTED]%
Shanghai Tanying	2,884,284	1.0188%	[REDACTED]	[REDACTED]	[REDACTED]%
Shanghai Jishi Lemei	2,884,284	1.0188%	[REDACTED]	[REDACTED]	[REDACTED]%
Subtotal:	***18,124,824***	***6.4023%***	[REDACTED]	[REDACTED]	[REDACTED]**%**
QC Six Limited	18,790,247	6.6374%	[REDACTED]	[REDACTED]	[REDACTED]%
Cliff Investment Pte. Ltd.	12,668,524	4.4750%	[REDACTED]	[REDACTED]	[REDACTED]%
Dezhou Liangyi	8,311,638	2.9360%	[REDACTED]	[REDACTED]	[REDACTED]%
3H	6,194,693	2.1882%	[REDACTED]	[REDACTED]	[REDACTED]%
3E Bio	6,001,766	2.1200%	[REDACTED]	[REDACTED]	[REDACTED]%
Huagai Capital					
Shanghai Liyizhen	4,856,921	1.7157%	[REDACTED]	[REDACTED]	[REDACTED]%
Shanghai Liyuanzhen	766,442	0.2707%	[REDACTED]	[REDACTED]	[REDACTED]%
Subtotal:	***5,623,363***	***1.9864%***	[REDACTED]	[REDACTED]	[REDACTED]**%**
Beijing New Dynamic II	5,081,814	1.7951%	[REDACTED]	[REDACTED]	[REDACTED]%
Octagon					
Octagon Master	924,874	0.3267%	[REDACTED]	[REDACTED]	[REDACTED]%
Octagon Opportunities	3,546,931	1.2529%	[REDACTED]	[REDACTED]	[REDACTED]%
Subtotal:	***4,471,805***	***1.5796%***	[REDACTED]	[REDACTED]	[REDACTED]**%**

	As of the Latest Practicable Date		Immediately upon completion of the [REDACTED][(1)]		
Shareholders	**Number of Unlisted Shares**	**Ownership percentage (approx.)**	**Number of Unlisted Shares**	**Number of H Shares**	**Ownership percentage (approx.)**
Sherpa Healthcare					
OCXPROURO	2,624,360	0.9270%	[REDACTED]	[REDACTED]	[REDACTED]%
ROSY LEAD	2,000,598	0.7067%	[REDACTED]	[REDACTED]	[REDACTED]%
Subtotal:	***4,624,958***	***1.6337%***	[REDACTED]	[REDACTED]	[REDACTED]%
Andorra Investment	4,366,320	1.5423%	[REDACTED]	[REDACTED]	[REDACTED]%
YuanBio	3,118,788	1.1017%	[REDACTED]	[REDACTED]	[REDACTED]%
Verition Multi-Strategy Master Fund Ltd.	3,011,571	1.0638%	[REDACTED]	[REDACTED]	[REDACTED]%
Yangzhou Dingyi	2,502,151	0.8838%	[REDACTED]	[REDACTED]	[REDACTED]%
Loyal Earn	1,517,931	0.5362%	[REDACTED]	[REDACTED]	[REDACTED]%
Phoenix Aurora Limited	1,498,318	0.5293%	[REDACTED]	[REDACTED]	[REDACTED]%
Suzhou Luanbu	1,454,186	0.5137%	[REDACTED]	[REDACTED]	[REDACTED]%
Xiamen Qianshan	1,342,333	0.4742%	[REDACTED]	[REDACTED]	[REDACTED]%
EMHCP	1,123,739	0.3969%	[REDACTED]	[REDACTED]	[REDACTED]%
SymBiosis II, LLC	1,123,739	0.3969%	[REDACTED]	[REDACTED]	[REDACTED]%
Hongtao	935,637	0.3305%	[REDACTED]	[REDACTED]	[REDACTED]%
Yangzhou Longtou	834,054	0.2946%	[REDACTED]	[REDACTED]	[REDACTED]%
TruMed	749,159	0.2646%	[REDACTED]	[REDACTED]	[REDACTED]%
Investors taking part in the [**REDACTED**]	–	–	[REDACTED]	[REDACTED]	[REDACTED]%
TOTAL	**283,096,831**	**100%**	[REDACTED]	[REDACTED]	**100%**

Notes:

(1) Assuming the [**REDACTED**] is not exercised.

(2) Each of Aleyuan Inc., Dr. Gavin Xia, Dr. Tian, AleyuanGX, AleyuanJT, Aleyuan Limited, Yangzhou Liyue, Shanghai Chunyuan, Ms. Wang Yun and Dr. Zhang Huading is an AIC Party. See "— Concert Party Agreements" above.

(3) Shanghai Chunyuan is controlled by Dr. Shu Chutian as its general partner. As at the Latest Practicable Date, Dr. Shu Chutian holds approximately 29.95% of its partnership interest; the remaining partnership interest is held by its limited partners: (i) Ms. Wang Yun (our executive Director and chief of staff) as to approximately 27.14%, and (ii) 8 other employees of our Group (each is an Independent Third Party and does not hold 30% or more partnership interest). Shanghai Chunyuan is an affiliated company of Chunyuan Limited. Both of them served as a voluntary investment platform for employees to invest in Group at the same price as other Pre-[**REDACTED**] Investors in the same round of financing.

(4) AleyuanGX is a limited liability company incorporated under the laws of the BVI and wholly-owned by Dr. Gavin Xia. Each of Fortuna and BCeGFR is controlled by AleyuanGX. Shanghai Yuanyue is controlled by AleyuanGX as its general partner. Yangzhou Liyue is controlled by AleyuanGX as its general partner.

AleyuanJT is a limited liability company incorporated under the laws of the BVI and wholly-owned by Dr. Tian.

Aleyuan GX and Aleyuan JT were established primarily for administrative and regulatory registration convenience, as well as for estate planning requirements of the respective founders.

Aleyuan Inc. is a founders' holding company and is held as to 50% by AleyuanGX and 50% by AleyuanJT, which was established at the inception of Alebund Cayman as the original founders' holding company to hold the founders' initial equity interests and to bind the equity interests of our two founders, Dr. Gavin Xia and Dr. Tian, ensuring unified alignment of their interests from the early stage.

Aleyuan Limited is held as to 31.55% by AleyuanGX; 16.29% by AleyuanJT; and as to 52.16% in aggregate by Jonathan Thomas Wong, Shirley Shek-ling Wong and Thomas Folinsbee, each an individual investor and Independent Third Party (none of which holds 30% or more shareholding in Aleyuan Limited). Aleyuan Limited served as an early-stage investment platform through which the founders and several other individual investors invested in the Group at the same price as other Pre-[**REDACTED**] Investors in the same round of financing. Aleyuan Limited was established designated to align the interests of the founders with the Company's growth while ensuring the founders' centralized control over the voting rights of these minority individual interests.

[**REDACTED**]

Following the conversion of the Unlisted Shares into H Shares and upon completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised):

(a) Each of Aleyuan Inc., Dr. Gavin Xia, AleyuanGX, Dr. Tian, AleyuanJT, Aleyuan Limited, Shanghai Chunyuan, Yangzhou Liyue, Ms. Wang Yun and Dr. Zhang Huading (each an AIC Party and/or a member of the Single Largest Shareholders Group) and their close associates will be our core connected persons and a total of 69,363,455 Shares held by them will not be counted towards either the [**REDACTED**], representing [**REDACTED**]% of our share capital in aggregate;

(b) a total of [**REDACTED**] Unlisted Shares held by our Shareholders as of the Latest Practicable Date who were not members of the Single Largest Shareholders Group (the "**Current Unlisted Shareholders**") will be converted into H Shares and [**REDACTED**] on the Stock Exchange, and therefore will be counted as part of the [**REDACTED**], representing [**REDACTED**]% of our share capital in aggregate. None of the Current Unlisted Shareholders is accustomed to take instructions from our Company (or any of our subsidiaries) or any core connected persons in relation to the acquisition, disposal, voting or other disposition of their Shares and none of their acquisition of the Shares were financed directly or indirectly by our Company (or any of our subsidiaries) or our core connected persons; and

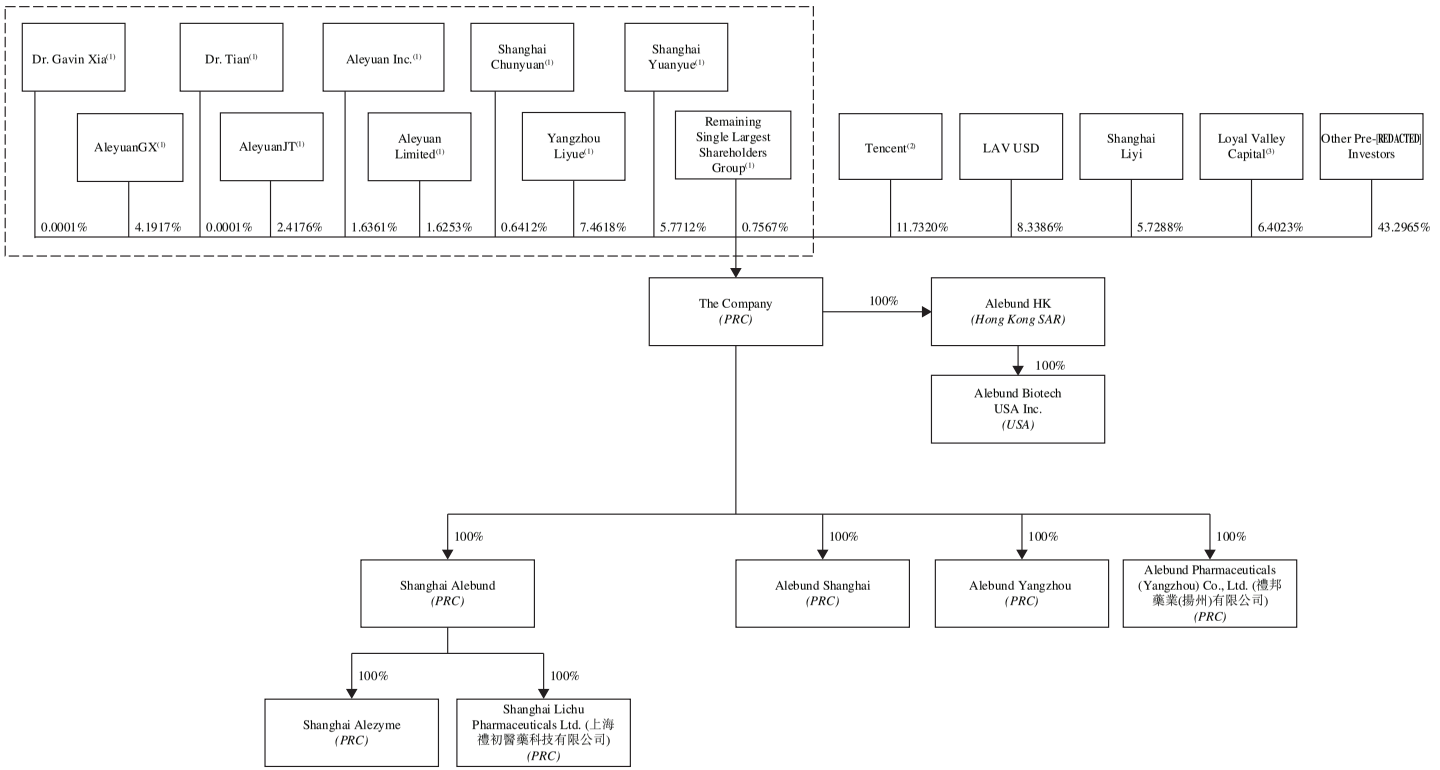
(c) the remaining [**REDACTED**] H Shares issued pursuant to the [**REDACTED**] (assuming the [**REDACTED**] is not exercised) will be counted as part of the [**REDACTED**] and [**REDACTED**] at the time of the [**REDACTED**], representing approximately [**REDACTED**]% of our share capital in aggregate.

Based on the above, it is expected that, immediately following completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised), a total of [**REDACTED**] H Shares, representing [**REDACTED**]% of our total issued Share upon completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised) will be counted as part of the [**REDACTED**]. As a result, over [**REDACTED**]% of our Company's total issued Shares will be held by the [**REDACTED**] upon completion of the [**REDACTED**] as required under Rule 19A.13A(1) of the Listing Rules. Assuming that the [**REDACTED**] is not exercised, based on an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], the expected market capitalization of the Company's Shares would be HK$[**REDACTED**] and, therefore, the minimum prescribed [**REDACTED**] percentage as required under Rule 19A.13A(1) of the Listing Rules would be [**REDACTED**]% of the total issued Shares. Therefore, our Company will be able to meet the minimum public float requirements under 19A.13A of the Listing Rules.

[**REDACTED**]

CORPORATE STRUCTURE IMMEDIATELY BEFORE COMPLETION OF THE [REDACTED]

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



Notes:

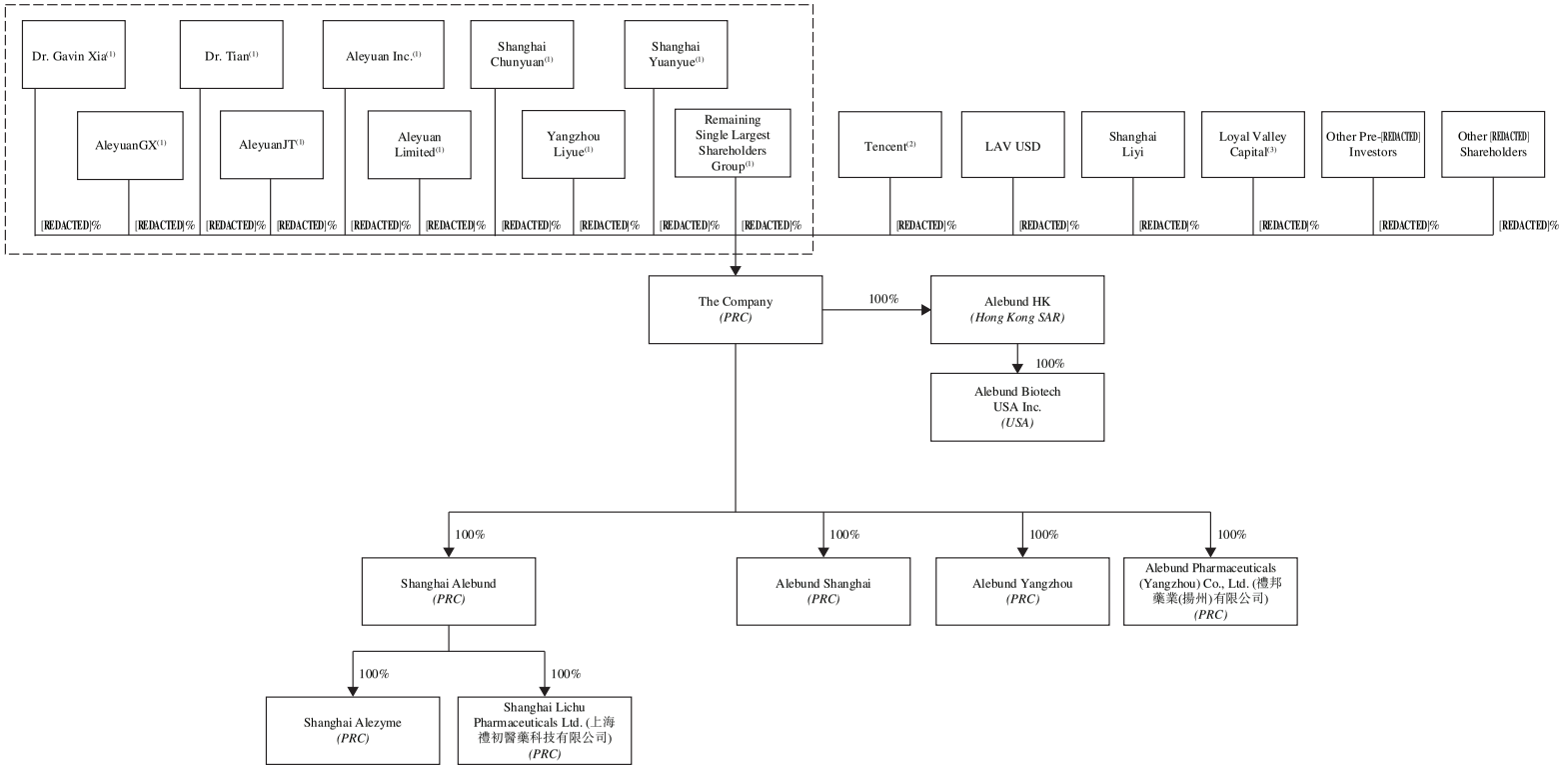
(1) For the detailed shareholding information of our Single Largest Shareholders Group, please see Note (2) to the capitalization table in the section "— Capitalization" above. The "Remaining Single Largest Shareholders Group" refers to Fortuna, BCeGFR, Ms. Wang Yun and Dr. Zhang Huading.

(2) Tencent refers to Guangxi Tencent and Perfect Ten Holding Limited. See section "— Pre-[**REDACTED**] Investments — Information about our Pre-[**REDACTED**] Investors" above for details.

(3) Loyal Valley Capital is our Sophisticated Investor. See section "— Pre-[**REDACTED**] Investments — Information about our Pre-[**REDACTED**] Investors" above for details.

CORPORATE STRUCTURE IMMEDIATELY FOLLOWING COMPLETION OF THE [REDACTED]

The chart below sets out the shareholding structure of our Group immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised):



Notes: For notes (1) to (3), see "— Corporate Structure Immediately before Completion of the [**REDACTED**]" above. For the Unlisted Shares and H Shares held by each of the Shareholders, please see "— Capitalization" above.

OVERVIEW

We are a biopharmaceutical company with the broadest drug candidates in terms of renal indication coverage globally, according to CIC. Our product portfolio in clinical and preclinical stages consists of one Core Product AP301 and six other product candidates, including one late-clinical-stage product candidate AP306, one early-clinical-stage product candidate (AP303), and four preclinical product candidates (AP308, AP304, AP305, and AP307) as of the Latest Practicable Date.

Our sole Core Product, AP301 (full global rights acquired from Vidasym in 2021), is classified as a Class 1 new chemical drug in China. AP301 is a phosphate binder for the treatment of hyperphosphatemia, one of the most prevalent complications of CKD with large medical needs, in CKD patients receiving dialysis. AP301 completed a China registrational Phase III trial with near-term NDA submission expected and is currently undergoing a global Phase III pivotal MRCT in the U.S. and China. AP301 and AP306 were in-licensed from third parties, and our remaining product candidates are self-discovered and self-developed.

We run a dedicated team aiming to deliver quality products. We target the largest renal indications globally with differentiated and effective therapeutics and achieve early PoC by striving to satisfy global regulatory requirements with our preclinical and clinical evidence. Coupled with our deep clinical know-how, this approach enables us to pursue simultaneous global development and regulatory submission through MRCTs and to accelerate clinical development through disciplined execution. We have built manufacturing facilities to support global expansion and maximize commercial value by establishing in-house sales team in key markets and forming strategic partnerships with leading players. Together, these efforts accelerate innovation and delivery of renal therapeutics with broad applicability and impact. We also retain the exclusive commercialization right of one commercialized product, Mircera® in Chinese Mainland.

Our Pipeline

Providing renal therapies, we have implemented a pipeline strategy focusing on therapeutics with reduced risks and differentiated mechanisms of action. As of the Latest Practicable Date, our portfolio consisted of seven product candidates (including three clinical-stage product candidates) and one commercialized product. Our Core Product, AP301, is a phosphate binder for the treatment of hyperphosphatemia, one of the most prevalent complications of CKD with large unmet medical needs. AP301 completed a China registrational Phase III trial with near-term NDA submission expected (based on the result of China registrational Phase III trial) and is currently undergoing a global pivotal Phase III MRCT in the U.S. and China. AP306 is a differentiated pan-phosphate transporter inhibitor for hyperphosphatemia in CKD patients receiving dialysis that we acquired from Chugai and received BTD from the NMPA. AP303 is a differentiated disease-modifying agent to delay or halt the disease progression in patients of ADPKD, IgAN, DKD and FSGS, which are all subtypes of CKD, and received the FDA ODD for ADPKD. AP308 is a differentiated engineered recombinant IgA protease aiming for functional cure of IgAN that we licensed from PUFH. Mircera®, developed by Roche, is an effective EPO approved for the treatment of anemia in CKD patients. We retain exclusive commercialization rights of Mircera® in Chinese Mainland. All of our products are designed as first-line treatment in CKD patients. The diagram below summarizes the development status of our portfolio as of the Latest Practicable Date.

Program	MoA[1]	Category[2]	Indications / Line of Treatment	Preclinical / IND-Enabling	Phase I	Phase II	Phase III	NDA	Regulatory Authority(ies)	Trial Location	Upcoming Milestones[5]	Source	Commercial Rights
AP301 ★	Phosphate Binder	Chemical Drug	Hyperphosphatemia in DD-CKD patients / 1L	Completed China PhIII in June 2025					China NMPA		China NDA submission in June 2026	Acquired (Vidasym)	Global^
				Enrollment for global PhIII MRCT completed in May 2026					U.S. FDA		Global Phase III MRCT completion expected in Q2 2027[6] NDA submission in Q3 2027		
AP306	Pan-phosphate Transporter Inhibitor	Chemical Drug	Hyperphosphatemia in DD-CKD patients / 1L	Initiated global PhIIb MRCT in May 2026					U.S. FDA China NMPA		Global Phase IIb MRCT completion expected in Q2 2027[7]	In-licensed (Chugai)	Greater China (Alebund) Ex-China (R1 Therapeutics)[11]†
AP303	Dual PPAR Agonist	Chemical Drug	DKD with high proteinuria / 1L	IND cleared for US + CN PhII					U.S. FDA China NMPA[4]		A basket Phase II trial for DKD and IgAN patients with high proteinuria is expected to be initiated in Q3 2026[8] Additional Phase II trials for ADPKD and FSGS are expected to be initiated in Q4 2026 and Q1 2027, respectively	Self-developed	Global
			IgAN with high proteinuria / 1L	IND cleared for US + CN PhII					U.S. FDA China NMPA[4]				
			FSGS / 1L	CN + EU +AU PhII MRCT planned[3]					U.S. FDA China NMPA EU EMA[4]				
			ADPKD / 1L	CN + EU +AU PhII MRCT planned[3]					U.S. FDA China NMPA EU EMA[4]				
AP308	IgA Protease	Biologics	IgAN / 1L						U.S. FDA China NMPA		IND submission and Phase I initiation expected in Q3 2026 Phase I completion expected in Q2 2027	Collaboration[10] (PUFH)	Global
AP304	Serine Protease	Biologics	AKI & AIS / 1L						/	/	IND submission in 2027	Self-developed	Global
AP305	CFB Inhibitor	Chemical Drug	IgAN & others / 1L						/	/	IND submission in 2027	Self-developed	Global
AP307	Complement Pathway Inhibitor	Chemical Drug	MPGN / 1L						/	/	/[9]	Self-developed	Global

★ Core Product U.S. FDA Orphan Drug Designation China NMPA Breakthrough Therapy Designation

Notes: Abbreviations: MoA = Mechanism of Action, IND = Investigational New Drug, NDA = New Drug Application, DD-CKD = Dialysis-dependent Chronic Kidney Disease, NMPA = National Medical Products Administration of the PRC, FDA = U.S. Food and Drug Administration, MRCT = Multi-Regional Clinical Trial, PPAR = Peroxisome Proliferator-activated Receptor, DKD = Diabetic Kidney Disease, IgA = Immunoglobulin A, IgAN = IgA Nephropathy, FSGS = Focal Segmental Glomerulosclerosis, EMA = European Medicines Agency, ADPKD = Autosomal Dominant Polycystic Kidney Disease, AKI = Acute Kidney Injury, AIS = Acute Ischemic Stroke, CFB = Complement Factor B, MPGN = Membranoproliferative Glomerulonephritis

(1) All of Alebund's products / product candidates are orally administered, except for AP308 and AP304 (intravenous or subcutaneous) and AP601 (subcutaneous); (2) All of Alebund's products / product candidates are first line therapies and Class 1 New Drugs, except for AP601 which is an Original Imported Drug; (3) Phase II trial planned, Phase II IND approval granted by the NMPA, and IND application for the Phase II trial planned to be submitted to EU EMA and Australia TGA in the third quarter of 2026; (4) Phase I trials for AP303 were conducted in China and Australia, and upcoming Phase II trials will be conducted in the U.S. and China for DKD and IgAN with high proteinuria, and in China, Europe, and Australia for FSGS and ADPKD; (5) Alebund acts as sponsor for all ongoing and planned clinical trials of its product candidates; (6) The FDA's grant of IND clearance for the Phase III MRCT was based on the results of the Phase II clinical trial of AP301 in China and the Phase I clinical trial of AP301 in Australia; (7) Alebund plans to leverage AP306's global Phase IIb MRCT data to directly support China NDA submission, potentially eliminating the need for a separate China Phase III trial; (8) Pharmacokinetic bridging studies demonstrated no ethnic differences, and Phase Ib data confirmed AP303's renal hemodynamic effect, supporting the initiation of an exploratory Phase II study directly in the patient population; (9) IND application date not yet confirmed; (10) AP308 is internally engineered by Alebund based on a prototype licensed from PUFH; (11) Alebund directly owns the rights of AP306 in Chinese Mainland, Hong Kong, Macau and Taiwan. Alebund owns the ex-China rights through its joint venture R1 Therapeutics

^ Alebund has partnered with Vidasym and obtained the full China and global rights relating to AP301 in 2018 and 2021, respectively, with no future royalty obligations from Vidasym via a series of transactions (low double digit million of U.S. dollars paid in total)

† Alebund has partnered with Chugai and has the exclusive right to develop, manufacture, and commercialize AP306 (formerly EOS789) globally. Under the agreement, Chugai is entitled to receive an upfront license payment and milestone payments up to a single-digit millions of U.S. dollars based on achievement of certain predetermined milestones relating to regulatory approval and commercial sales, with additional royalty payments linked to annual net sales of AP306 after its expected launch

Chronic Kidney Disease Complications Treatment Portfolio

We have developed a synergistic portfolio addressing the most prevalent and critical complications of CKD, in particular hyperphosphatemia and anemia, creating a near-term commercial foundation.

AP301

AP301, our Core Product, stands out due to its consistent phosphate-lowering capacity and safety profile. In the Phase III clinical trial, AP301 reduced the serum phosphorus level by 2.22 mg/dL in CKD patients receiving maintenance dialysis with hyperphosphatemia, compared to 2.17 mg/dL for sevelamer carbonate at week 12. Moreover, AP301 achieved a higher serum phosphate response rate in the AP301 arm (66.7%) compared to the sevelamer carbonate arm (58.6%) at Week 52, suggesting its long-term therapeutic effect. Importantly, AP301 does not release or allow systemic absorption of iron, as the iron is irreversibly bound by the acacia scaffold. The most common AEs were GI disorders, mainly diarrhea, which were resolved without intervention. Together with AP306 and Mircera®, AP301 forms a synergistic portfolio that addresses key CKD complications.

AP306

In our completed Phase II trial, AP306 demonstrated a mean serum phosphate reduction of 2.51 mg/dL, with nearly 95% of patients had their serum phosphate levels controlled at less than 5.5 mg/dL by Week 7-8. This outperforms classic binders like Sevelamer, which brought around 50% of patients to the serum phosphate level at less than 5.5 mg/dL by Week 7-8 in the same clinical trial. Also, AP306 was able to lower the average serum phosphate level to between 3.5 and 4.5 mg/dL, a target few phosphate binder can reach. In the same Phase II trial, the most common AEs were GI disorders, mainly diarrhea. The discontinuation rate due to AEs was less than 5%. Moreover, AP306 significantly reduces pill burden, requiring only 2-3 small tablets, a significant contrast to 6-12 tablets daily typically needed for traditional phosphate binders. We are currently preparing a Phase IIb MRCT in the U.S. and China.

Mircera®

Mircera® is a proven commercial anchor for renal anemia solution. Mircera® stimulates erythropoiesis by interacting with the erythropoietin receptor on progenitor cells in the bone marrow, thereby helping the patients reach the target hemoglobin ("**Hb**") level of 110g/L. Mircera® can maintain a stable Hb level with a favorable safety profile, and it is the first-line recommended medication by global anemia treatment guidelines. We are commercializing Mircera® in China to establish a scalable renal dedicated sales team and distribution channel. By building direct relationships and distribution channels with hospitals through Mircera®, we aim to create an infrastructure that supports market access and medical education across nephrologists, physicians and hospitals. This commercial infrastructure is designed to synergize with our future renal therapeutics, accelerating subsequent launches and enabling efficient portfolio promotion. As of the Latest Practicable Date, Mircera® was listed in over 300 hospitals in China.

CKD Disease-Modifying Portfolio

We have also developed a pipeline for CKD treatment aimed at significantly slowing or halting CKD progression, positioning us to drive a paradigm shift in overall CKD treatment.

AP303

As a dual PPAR agonist, AP303 is designed to deliver broad renal protection across a wide spectrum of high-value indications, including among others, DKD, IgAN, ADPKD and FSGS. In the completed Phase I trials in Australia and China, AP303 was safe and well tolerated in healthy volunteers and there was clear and robust dose-related PD signal. We completed Phase Ib study in DKD patients in China in September 2025 and have received positive feedback and clear guidance from the FDA and the NMPA for all indications in the pre-IND communication regarding Phase II MRCTs in U.S. and China with respect to DKD, IgAN, ADPKD, and FSGS. A basket Phase II clinical trial targeting DKD and IgAN patients with high proteinuria is expected to be initiated in the third quarter of 2026. Two additional Phase II trials, targeting ADPKD and FSGS, are expected to be initiated in the fourth quarter of 2026 and the first quarter of 2027, respectively.

AP308

AP308 acts as "molecular scissors" to remove the IgA and IgA complex in circulatory system as well as IgA complex deposited in the kidneys, directly targeting the underlying pathology of IgAN. This mechanism represents a differentiated approach to treating IgAN. We expect to obtain IND clearance and enter clinical development stage in China and the U.S. in the third quarter of 2026.

Our Market Opportunity — Renal, A Vast but Underserved Market

According to CIC, the global burden of CKD represents one of the most critical unmet medical needs of our time, affecting 802.2 million individuals globally in 2025 and ranking third among global chronic diseases in 2025. China has the largest prevalence of CKD with approximately 123.8 million patients in 2025. 5-10% of CKD patients progress to ESRD within five years regardless of the treatment they receive, where their life quality is significantly limited due to the need for either renal replacement therapy or transplantation, placing substantial burden on patients and their families. The global CKD market is expected to grow from US$244.0 billion in 2025 to US$503.9 billion in 2035, representing substantial market potential.

Within the CKD market, hyperphosphatemia is one of the most common CKD complications. Its global prevalence steadily increased in the past four years to approximately 81.3 million patients in 2025. The prevalence of hyperphosphatemia in China reached 9.3 million in 2025, accounting for 11.4% of total hyperphosphatemia patients globally. Moreover, the incidence of hyperphosphatemia increases significantly with the progression of CKD. Almost all ESRD patients undergoing dialysis require phosphate-lowering therapy. However, despite the widespread use of phosphate binders, 76% and 52% of dialysis patients in China and U.S., respectively, suffer from an uncontrolled serum phosphorus level. Also, existing phosphate binders generally suffer from frequent GI side effects, high pill burden, systemic absorption and negative impact on normal physiological functions. As a result, the clinical adoption of phosphate binders remains at a low level. For details regarding the MOA of different types of phosphate binders, please refer to "Industry Overview — Overview Of Hyperphosphatemia Market." The dialysis population in China reached 1.3 million in 2025 and is projected to expand rapidly to 3.4 million patients in 2035, representing a CAGR of 10.1%. This rapid growth, combined with the large patient group of uncontrolled hyperphosphatemia, highlights a substantial and expanding market opportunity for phosphate management solutions.

The vast unmet medical demands highlight the critical need for therapeutics that can significantly delay or halt CKD progression. However, over the past two decades, few innovative renal therapeutics were approved. The failure of certain large, global Phase III trials prompted many multinational companies to withdraw investments in innovative renal therapeutics. In 2019, the FDA accepted proteinuria reduction as the surrogate endpoint for approvals in IgAN. This marked a revitalization of renal R&D, drawing many multinational companies back to the field. The number of newly initiated clinical pipelines in CKD drug development globally has been rapidly increasing since 2019, reaching 86 new clinical pipelines in total in 2025, more than double of that in 2019. The revitalization of renal R&D is also evidenced by the growing momentum of global M&A and

licensing transactions focused on renal disease therapeutics. As of December 31, 2025, the top 10 transactions in renal therapeutics with multinational companies since 2020 had amounted to an aggregate of US$85.4 billion. In this regulatory and market backdrop, the renal therapeutics industry is well positioned for substantial growth in the years to come.

Nevertheless, the renal therapeutics reaching the market remain limited, underscoring the high development challenge and significant entry barriers. Successful development demands a clear, comprehensive understanding of renal diseases and unmet medical needs. Renal therapeutics that offer efficacy, safety and reduced medical burden covering the full spectrum of renal diseases will lead the future market.

To address these profound unmet needs, we are building a differentiated and effective portfolio targeting renal disease: We have established a comprehensive portfolio of drug candidates for CKD complication treatment to address its most prevalent complications and secure a near-term commercial foundation. Concurrently, we are advancing a pipeline for CKD treatment aimed at slowing or halting disease progression. For details, see "— Our Product Pipeline." With a portfolio that offers efficacy, safety and better patient compliance, we aim to address various medical needs.

OUR STRENGTHS

A Biopharmaceutical Company Focused on Advancing Therapies in Renal Care

We are a renal focused biopharmaceutical company with the broadest drug candidates in terms of renal indication coverage globally, according to CIC. We focus on innovation in renal therapeutics to address a broad spectrum of renal diseases for patients worldwide, aiming to establish new standard of care and address major clinical gaps in the current renal therapeutics. We have, since our inception, developed vertically integrated capabilities, spanning across research and development, manufacturing and commercialization. By capturing the entire value chain, these capabilities enable us to reduce reliance on external partners, mitigate potential supply chain risks and ensure faster, and more tailored commercialization of renal therapeutics in China's evolving CKD market.

Research and Development Capabilities

Our research and development capabilities enable us to build a pipeline targeting unmet needs, prioritizing differentiated and effective therapeutics. This strategy drives leadership in hyperphosphatemia with AP301 and AP306 and expands access in renal anemia via Mircera®, translating unmet need into patient impact and market leadership. In addition, we are able to identify high-impact targets by dissecting complex disease pathology, and then design molecules with unparalleled precision. This capability spans small and large molecules (e.g., dual PPAR agonist AP303 and re-engineered IgA-targeting protease AP308) and bridges academic concepts to viable drug candidates with distinct advantage. AP306's BTD from the NMPA and AP303's ODD from the FDA for ADPKD underscore our commitment to delivering differentiated renal therapeutics to patients worldwide.

Our research and development capabilities also enable us to excel in pipeline progression that combines study design, operational efficiency, disciplined cross-region execution and effective regulatory communication. Regarding study design, the planned AP308 Phase Ib study incorporates specific markers to rapidly generate PoC data; regarding operational efficiency, in China, AP301's pivotal Phase III enrolled 474 participants across 50 centers in nine months, and AP306 progressed from IND clearance to first patient enrollment in three months; regarding cross-region execution, we coordinate studies in the U.S. and China — AP301's Phase III MRCT and AP306's Phase IIb MRCT are enrolling in both regions — to address regional requirements in parallel; and regarding regulatory communication, we engage early, constructive dialogues with regulatory authorities to accelerate paths to approval, and notably, the FDA accepted a single global Phase III MRCT for AP301's U.S. registration, streamlining development.

Manufacturing Capabilities

We have completed the construction of a facility in Yangzhou, supporting commercial-scale production of both drug substance and drug product for our product candidates at the same site. The designed annual capacity will reach approximately 200 metric tons for AP301. Civil construction has been completed with built-in scalability reserved for future production needs of AP306 and other portfolio programs. Our self-owned manufacturing infrastructure brings the following advantages.

Supply Chain Reliability: For high-volume, lifelong therapeutics such as phosphate binders, CDMOs often cannot scale to the volumes required to meet market demand with reasonable supply price given the dedicated production lines and complexity of manufacturing procedures. Our in-house manufacturing ensures stable supply quality and quantity with pricing flexibility, which is critical for patient access.

Pricing Flexibility. In-house manufacturing enables us to tightly monitor materials as well as manufacturing costs. This cost advantage translates into higher margins and a clear competitive edge in terms of pricing flexibility in the hyperphosphatemia drug market.

Quality Control & Compliance. Direct oversight ensures stringent quality control throughout the manufacturing process. Our internal quality system is designed to meet global standards, ensuring consistent product quality.

Commercialization Capabilities

We have built a strong in-house sales team to maximize the value of our portfolio in China, while actively pursuing strategic partnerships with influential players to support successful global commercialization at the same time.

Recognizing the unique structure of China's renal market — where diagnosis and treatment are centralized in hospital nephrology departments — we are establishing our own in-house sales team that engages physicians, nephrologists and hospitals directly. We focus on "scientific-driven promotion" as a core competitive edge in commercialization. This involves academic engagement, tailored scientific discussions with physicians, and participation in medical conferences, designed to build trust and differentiate our therapeutics. This approach ensures our breakthroughs are understood and adopted. Our experienced team of 37 professionals as of December 31, 2025 has demonstrated strong market insight and execution, as evidenced by the successful launch of Mircera® in China. Mircera® was included in the 2023 NRDL and was listed in over 300 hospitals as of the Latest Practicable Date.

Building an in-house, renal-dedicated sales team in China creates powerful synergies: it aligns our broad CKD pipeline with unified nephrology sales and distribution networks, concentrates promotional efforts within the same hospital nephrology departments, and maximizes commercialization efficiency. By launching and scaling Mircera® first, we recruited and trained a high-performing team, strengthened relationships with physicians, hospitals, and payors, expanded market access and distribution, and could then leverage this backbone to accelerate sales and maximize impact for subsequent commercialization of our renal portfolio.

In wider global markets, we will actively explore partnerships to advance commercialization of our existing pipeline in select markets with differentiated strategies tailored for each market. For instance, unlike China, patients in U.S. receive dialysis in specialized dialysis centers, which often operate independently from hospitals. We will pursue a focused U.S. commercialization strategy by partnering with leading dialysis center chains to build deep collaborations and rapidly, cost-effectively reach patients receiving dialysis. For other global regions, depending on the commercial policies and target patient behaviors in the region, we intend to advance commercialization through partnerships with local healthcare institutions.

A Portfolio of Differentiated and Effective Therapeutics in CKD Complications Treatment with High Commercialization Prospects

AP301 Stands as a Foundational Therapy in Hyperphosphatemia

AP301 is poised to become the new foundational therapy in hyperphosphatemia. It stands out with its consistent efficacy and safety. Key clinical progress and validation for AP301 underscore an accelerated path to approval and launch with reduced risk. We successfully completed the registrational Phase III trial in China confirming its consistent efficacy and safety profile. This pivotal achievement showcased our execution capability. Building on the results of our clinical studies, we reached an agreement with the FDA such that only one pivotal study is required for U.S. approval, reducing the requirement to a single additional global Phase III MRCT. That MRCT is already underway and is expected to enroll 264 patients and being conducted across the U.S. and China. This transpacific trial design not only minimizes costs but significantly expedite the overall timeline and maximize our time-to-market advantage globally. Beyond dialysis patients, we will also explore clinical development of AP301 on serum phosphorous control in non-dialysis dependent patients with hyperphosphatemia.

AP306 Stands as the Breakthrough Therapy Reshaping Phosphate Control with a Differentiated Mechanism

AP306 is the first and only orally administered inhibitor targeting all three key intestinal phosphate transporters: phosphate transporter type IIb ("NaPi-IIb"), phosphate transporter-1 ("PiT-1"), and phosphate transporter-2 ("PiT-2"). Unlike existing binders that physically trap phosphate in the gut lumen, AP306 functions as a biological "valve" — it directly and vastly blocks the cellular pathways of active phosphate absorption. This differentiated mechanism offers a more efficient and effective approach to phosphate control, representing a paradigm shift in hyperphosphatemia treatment. By inhibiting the absorption itself, AP306 achieves deep and durable phosphate control, especially beneficial for patients whose hyperphosphatemia remains uncontrolled despite heavy use of binders.

Mircera® (AP601), The Proven Commercial Anchor As A Long-Acting Agent For Renal Anemia Solution

Mircera® is a strategic pillar of our portfolio addressing CKD complication treatment, establishing us as a key player in treating anemia in China. Mircera® is a preferred treatment due to its convenience and more stable efficacy. Its key advantage lies in providing exceptionally stable erythropoiesis. Unlike short-acting agents that cause significant peaks and troughs in hemoglobin levels, Mircera®'s advanced molecular structure ensures a continuous and steady stimulation of red blood cell production, leading to more consistent anemia control and potentially reducing the risk of cardiovascular complications associated with hemoglobin variability. Furthermore, Mircera® transforms the patient experience by significantly extending the dosing schedule to once monthly, a major improvement over competitors that require injections three times per week. This reduction in treatment burden enhances patient quality of life and adherence, and lowers the operational burden on healthcare providers, cementing Mircera®'s position as the preferred standard of care for anemia.

Expanded Portfolio of CKD Treatment Paves Way for Sustainable Growth

AP303 — A Differentiated Disease-Modifying Agent to Halt the Progression of CKD

AP303 is designed to deliver broad renal protection across a spectrum of high-value indications, including, DKD, IgAN, ADPKD, and FSGS. Current therapeutic options only slightly slow disease progression, leaving a huge unmet medical need for disease-modifying agents that can further delay or halt kidney function decline. AP303 is an orally administered, dual PPAR agonist. With its differentiated and unique MOA, AP303 may achieve synergistic effects when used in combination with other renal disease treatments. For instance, AP303 may synergize with GLP-1R agonists or SGLT2 inhibitors to achieve greater renal protection.

AP308 — A Differentiated Engineered Recombinant IgA Protease Aiming for Functional Cure for IgAN

Unlike current and emerging IgAN therapeutics that focus on modulating the immune response (e.g., through B-cell modulation by APRIL or APRIL/BAFF) in slowing down new deposits, AP308 acts as a "molecular scissor" to directly remove the existing, disease-causing immune complexes from the kidney's mesangium. In our PD models, AP308 was observed to directly act on the kidney and cleave the IgA complexes and C3 deposits, confirming its highly direct mechanism of action. Based on its direct-acting mechanism, AP308 is projected to deliver a therapeutic effect that is both faster and deeper than any existing or pipeline therapy for IgAN. Our internal assessment, based on early observations, is to achieve an approximately 80-90% reduction in proteinuria within four weeks of treatment. This stands in contrast to current therapeutics and drug candidates, which typically achieve a 30-50% reduction over six to nine months.

Experienced Leadership Team with a Proven Track Record and Expertise in Renal Disease Drug Innovation

We have formed a leadership team with deep expertise across the biopharmaceutical value chain and an unwavering focus on kidney disease — a hard-to-replicate talent pool. With decades of experience at leading global pharmaceutical and biotechnology companies, our experts span the full continuum from discovery, research and development to regulatory approval, manufacturing and commercialization, combining unmatched scientific insight, clinical acumen, regulatory intelligence, manufacturing experience, and go-to-market execution.

Dr. Gavin Xia, our chief executive officer and co-founder, and Dr. Huading Zhang, our chief operating officer, bring decades of experience in healthcare, investments and pharmaceutical industry. Dr. Gavin Xia is a seasoned entrepreneur and venture capitalist with over 15 years in healthcare. Dr. Zhang brings over 15 years of experience across Pfizer, Roche, Baxter, and Amgen and integrates our operations from discovery to commercialization. Together, their strategic foresight, ability to translate scientific innovation into operational excellence, and decisive leadership skills continue to propel our growth and cement our strong position in renal therapeutics.

We place great importance on building our research and development capabilities. Jin Tian, M.D., our chief medical officer and co-founder, is a board-certified nephrologist with over 15 years of clinical practice, bringing a rare patient-centric perspective that has shaped our clinical strategy and real-world relevance. He led the development and approval of Mircera® in China while at Roche and led early clinical development of AP301. Dr. Shen Xiao, our chief scientific officer, also a nephrologist by training, spent over 20 years at the FDA in nephrology and cardiology, providing unparalleled regulatory insight and ensuring our global R&D strategy is aligned with regulatory expectations. Dr. Shu Chutian, our chief technology officer, brings over 15 years of CMC expertise from Boehringer Ingelheim, Novartis, and startups, with blockbuster drug experience that underpins our manufacturing capabilities. Under his leadership, our Yangzhou facility enables efficient, scalable production of our current and future portfolio.

Our other executive team members also possess industry experience that is pivotal in supporting our rapid and efficient operations. Mr. Feng Jun, our head of commercialization, has over 25 years in sales leadership experience at Novartis, AstraZeneca, Sandoz, and Fresenius Kabi, giving him deep insight into renal market dynamics, KOL engagement, distribution, and patient access. Ms. Yun Wang, our chief of staff, brings over 15 years of experience in multinational healthcare companies specializing in organizational development, talent management, and compensation strategy. Her leadership cultivates a high-performing team and ensures the stability and efficiency of our capabilities, across research and development, manufacturing, and commercialization functions.

Beyond our core management, our strategic direction and scientific rigor are strengthened by our experienced scientific advisery board. This highly distinguished panel comprises globally recognized experts and KOLs across the full spectrum of nephrology. Our scientific advisery board brings unparalleled influence across CKD indications and complications, and the global standards that guide clinical and regulatory development. Collectively, they lead and author cornerstone guidelines (including KDIGO CKD-MBD), shape the FDA and other regulatory policy (persuading the FDA to use proteinuria as a surrogate endpoint in IgAN), and have designed and executed landmark trials across DKD, IgAN, ADPKD and other CKD. They sit on steering committees of major international trials and research organizations, review and edit for top journals such as NEJM, JAMA, JASN, and AJKD, and advise leading nephrology societies and foundations.

OUR STRATEGIES

Expand R&D Capabilities and Accelerate Clinical Development of Existing Pipeline Globally

We are focused on developing differentiated and effective therapeutics. We will continue to strengthen our R&D capabilities to expand and deepen our pipeline. Our R&D engine has also enabled close relationships and strategic partnerships with leading research institutions. Recently, we established a joint laboratory with the Department of Nephrology at Peking University First Hospital, a global leader in renal disease research. This partnership facilitates shared access to research resources, accelerates the translation of scientific discoveries into therapies, and, importantly, grants us priority review rights to incorporate early discovery projects into our proprietary R&D pipeline. Going forward, we plan to implement differentiated R&D strategies to advance our product pipeline.

Advancing Clinical Development of AP301 and AP306 Towards Approval and Commercialization

AP301 and AP306 are currently in the most advanced clinical stages worldwide with promising clinical profile. We will rapidly advance AP301 and AP306 towards regulatory approvals:

AP301. We plan to engage in meetings with regulatory authorities, targeting the formal submission of NDA to the NMPA in June 2026. We are conducting a global pivotal Phase III MRCT in the U.S. and China and plan to submit NDA to the FDA in the third quarter of 2027. We are actively preparing for regulatory communications with the EMA regarding registrational trials design and may explore strategic collaborations with potential partners to advance clinical registrations in the EU markets. In other global regions, we plan to leverage the potential FDA approval and establish partnerships, such as forming joint ventures, with leading local healthcare institutions to complete clinical registration of AP301 in select markets. We believe AP301 is on track to obtain the NMPA approval in China in 2027 and the FDA approval in the U.S. in 2028, while clinical development advances in parallel across the rest of the world. We also intend to initiate registrational trials for hyperphosphatemia in non-dialysis CKD patients both in China and globally.

AP306. We plan to initiate a Phase IIb MRCT in the U.S. and China and complete the trial by the second quarter of 2027, and to initiate global Phase III trials in 2027. Outside of China, we have formed joint ventures with qualified business partners with established market presence and industry know-how to advance clinical development and registration of AP306 in select markets. We also intend to initiate registrational trials for hyperphosphatemia in non-dialysis CKD patients both in China and globally, to fully capture the market opportunities across life cycle of renal disease patients who have developed hyperphosphatemia.

Expanding Expertise in Major CKD Indications to Drive Global Renal Innovation

We will accelerate the delivery of our therapeutics to patients across broader CKD indications.

AP303. We have received positive feedback and clear guidance from the FDA and the NMPA regarding three Phase II studies in DKD/IgAN basket trial, ADPKD, and FSGS. We expect to initiate the first Phase II basket MRCT for DKD and lgAN patients with high proteinuria in the third quarter of 2026.

AP308. We expect to obtain IND clearance and enter clinical development stage in the third quarter of 2026.

We will also advance the development of multiple preclinical renal drug candidates, including AP304, AP305 and AP307, into clinical stage.

Expedite Entry into Markets with Tailored Commercialization Strategies for Our Portfolio

In China, as we advance AP301 and AP306 towards regulatory approvals and commercialization, we plan to methodically expand our marketing team to accelerate penetration into leading hospitals in major cities in China that have strong nephrology presence and medical capabilities. Given the interdisciplinary nature of renal diseases, patients are concentrated in comprehensive hospitals in China. By concentrating on the nephrology department within a target hospital, we expect to maximize the sales force efficiency. For broader expansion into other lower-tier markets, we may pursue a capital-efficient strategy via partnerships with CSOs. Given AP301's more advanced stage of development relative to AP306, our near-term commercialization strategy will prioritize bringing AP301 to market in China.

In wider global markets, we will actively explore partnerships to advance commercialization of our existing pipeline in select markets with differentiated strategies tailored for each market. For instance, the majority of the ESRD patients in the U.S. will receive dialysis treatment in the dialysis centers managed by leading chain operators. Hence, we will partner with leading dialysis center chains to build deep collaborations in the U.S. and rapidly, cost-effectively reach patients receiving dialysis. For other global regions, depending on the commercial policies and target patient behaviors in the region, we intend to advance commercialization through partnerships with local healthcare institutions.

As for AP306 and other pipeline drugs that expect regulatory approvals at a later stage, we will fully leverage on the sales channels and promotional advantages established by the commercialization of AP301. Meanwhile, we will proactively explore commercialization opportunities through a range of partnership models, including JV, CSO, and out-licensing.

Enhance Our Manufacturing Capabilities towards A Full-fledged Biopharmaceutical Company

We have established and are ready to scale up our in-house manufacturing capacity to ensure sufficient production capacity to meet global market demand, enhance cost control and maintain pricing flexibility, as well as exert better oversight of production quality.

AP301: Production capacity is critical to the successful commercialization of AP301, given the complexity of manufacturing procedure of the molecule. The phase I construction of Yangzhou facility has been completed. It is currently in the phase of pilot-scale production and scale-up preparation. It is expected to commence operation in the fourth quarter of 2028. We may also scale up the capacity by establishing and upgrading production lines in the future, to accommodate the growing demand as AP301 continues to be commercialized in the global markets.

AP306 and other pipeline drugs: Civil construction has been completed with built-in scalability reserved for future production needs of AP306 and other drugs. Subsequent production capacity planning and investment will be determined based on the global phase II clinical trials results of AP306 as well as market demand. We will also actively consider further expanding capacity for other pipeline products in the future in coordination with their clinical development plans.

We plan to expand our production and quality control team by primarily recruiting team members with GMP industrial production experience, as well as personnel with quality control and assurance experience. We will also formulate comprehensive supply chain management system and quality control system to maintain high production efficiency, reliability and consistency as well as to exercise control over the whole manufacturing process from raw material procurement and monitoring, rigorous quality checks to final product delivery.

Proactively Explore Value Accretive Partnerships and Alliances

We plan to explore in-licensing opportunity of the best renal therapeutics across different development stages to achieve synergies with our existing portfolio and introduce these products into the China market. Meanwhile we will continue to scout for differentiated and effective drug candidates in broader CKD indications and complications. We will also proactively seek strategic partners to jointly advance the clinical development and, ultimately, achieve commercial success in major markets outside China such as the U.S. Depending on the clinical stage of each product, we will actively evaluate different modes of external partnerships, including potential joint venture, CSO or out-licensing arrangements, and find the most suitable approach tailored for each partnership. We are currently exploring global commercial and development partnerships to maximize the global market potential of AP301 and AP306.

Scale up Our Organization by Attracting, Training and Retaining Talents Globally in the Renal Therapeutic Fields and Expand Collaboration with Experts in Renal Care

We are committed to recruiting and retaining top talents globally in the renal therapeutic research and discovery, clinical development, manufacturing and commercialization to continuously enhance our capabilities. In addition, we will also offer systematic training and career development programs for employees to continuously enhance their industry expertise, enabling them to remain at the forefront of industry dynamics and trends. Meanwhile, we closely collaborate with experts in the nephrology space. For example, our scientific advisery board brings together expertise in the renal therapeutic fields.

OUR PRODUCT PIPELINE

AP301: Our Core Product, An Oral Phosphate Binder for the Treatment of Hyperphosphatemia

Overview

Our Core Product AP301 is under clinical development for the treatment of hyperphosphatemia, standing out due to its consistent phosphate-lowering capacity and safety profile. We hold the global rights for the development, manufacture and commercialization of AP301.

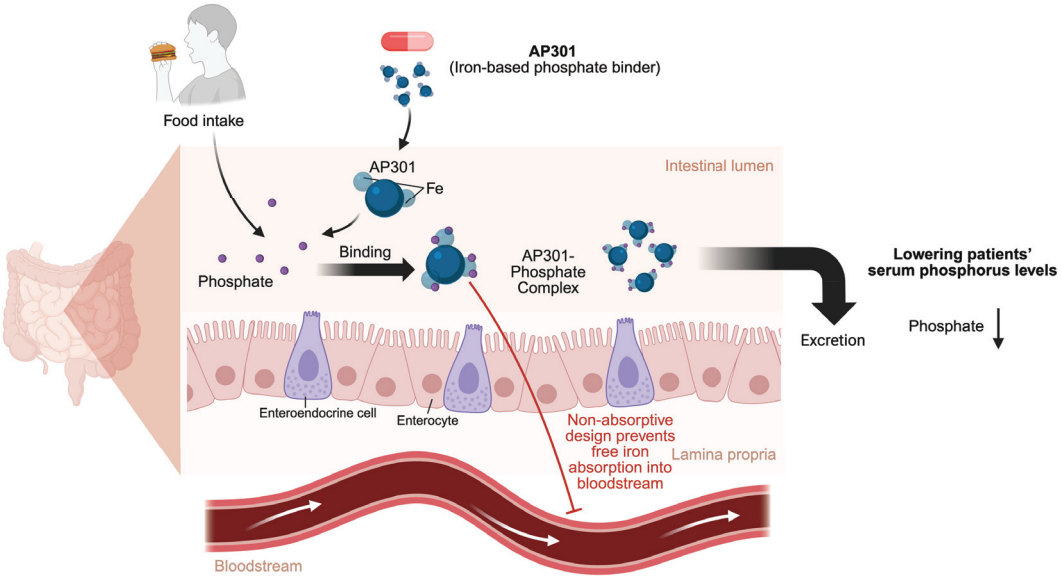
Mechanism of Action

The primary avenue of phosphate intake in human is through food and the primary avenue of phosphate excretion is via urine. Many CKD patients (especially ESKD patients) require dialysis, and due to their impaired renal function, excess phosphate cannot be excreted from urine and results in elevated serum phosphorus level, known as hyperphosphatemia. There is an established correlation between elevated serum phosphorus level and increased mortality risk.

AP301 is a complex consisting of acacia (a pharmaceutical-grade polysaccharide fiber) and ferric oxyhydroxide, which is a chemical compound of iron. AP301 is developed using a precisely controlled chemical process in which iron ions are irreversibly bound to functional fibers (*i.e.,* acacia) through chelation, a type of chemical bonding that enables the sequestration of specific metal ions. This process transforms water-soluble acacia fibers into a structurally stable, water-insoluble and high-density material. As a result of this design, AP301 is expected to maintain

its integrity throughout physiologically relevant pH values in the GI tract and may effectively bind to and remove overage of phosphate in the GI tract in a targeted manner. The iron component in AP301 can bind dietary phosphate in the GI tract to form ion phosphate, a salt with low solubility in water (meaning it can easily form deposit in water). The resulting iron phosphate is further retained within the acacia fiber matrix of AP301, which reduces the likelihood of phosphate being released back into the GI tract for reabsorption. As such, the fixated ion phosphate can only leave the GI tract in feces without affecting the balance of phosphorus in the renal failure patients. During the discovery and development process of AP301, numerous polysaccharide and metal ion combinations were evaluated to identify an optimal pairing of the two components for a phosphate binder. Eventually, acacia was selected because it is a safe pharmaceutical-grade material with unique structural properties, which ensures stable iron binding and maximal phosphate-binding efficiency without systemic absorption.

In comparison, other types of phosphate binders, such as calcium-, lanthanum- and previous-generation iron-based binders, work by binding to the phosphate in the GI tract to form calcium phosphate, lanthanum phosphate and iron phosphate, which are all salts with low solubility in water. However, these salts are not fixated in a stable medium (like the acacia in AP301). As such, under certain conditions in the GI tract, such as changes in pH, part of the bound phosphate may dissociate and become available for reabsorption, which may reduce overall phosphate-binding efficiency.



Market Opportunity and Competition

The global market of hyperphosphatemia drugs reached US$1.8 billion in 2025 and is estimated to reach US$6.4 billion in 2035. The market of hyperphosphatemia drugs in China reached RMB1.8 billion in 2025 and is estimated to reach RMB10.7 billion in 2035.

As of the Latest Practicable Date, there were seven drug types that include molecules approved as phosphate lowering agents, namely tenapanor, ferric citrate, sucroferric oxyhydroxide, bixalomer, lanthanum carbonate, sevelamer, and calcium-based phosphate binders. In the U.S., there were six drug types that include molecules approved as phosphate lowering agents, namely

tenapanor, ferric citrate, sucroferric oxyhydroxide, lanthanum carbonate, sevelamer, and calcium-based phosphate binders. In China, there were six drug types that include molecules approved as phosphate lowering agents, namely tenapanor, sucroferric oxyhydroxide, lanthanum carbonate, sevelamer ferric citrate, and calcium-based phosphate binders.

As of the Latest Practicable Date, there were seven approved phosphate-lowering molecules, including six approved non-calcium phosphate-lowering molecules for hyperphosphatemia globally. As of the Latest Practicable Date, there were only two clinical-stage assets in pipeline for hyperphosphatemia with active global trials, according to CIC. For more details, see "Industry Overview — Overview of Hyperphosphatemia Market."

Competitive Advantages

Consistent Phosphate-Lowering Capacity

AP301's phosphate-binding activity remains potent throughout physiologically relevant pH values in the GI tract. In a Phase II clinical trial in China, AP301 achieved a mean reduction in serum phosphorus level in CKD patients receiving maintenance hemodialysis of 2.01 mg/dL after a six-week dose titration. Moreover, AP301 achieved phosphate control with relatively low pill weight of a median daily dose of approximately 5.11g.

In the Phase III clinical trial, AP301 reduced the serum phosphorus level by 2.22 mg/dL in CKD patients receiving maintenance dialysis with hyperphosphatemia, compared to 2.17 mg/dL for sevelamer carbonate at week 12. Moreover, AP301 achieved persistent serum phosphate reduction over 52 weeks, suggesting its long-term therapeutic effect. It also showed a higher serum phosphate response rate in the AP301 arm (66.7%) compared to the sevelamer carbonate arm (58.6%) at Week 52, and with a lower mean daily dose exposure (6.52 g/day in AP301 versus 7.56 g/day in sevelamer carbonate).

Safety Profile with Minimal GI Side Effects

AP301 delivers a consistent GI safety profile, effectively preventing bloating, constipation and discomfort common with prior generations of phosphate binders, as evidenced by a pooled patient TEAE related dropout rate of < 5%. Importantly, the body will not absorb the iron component in AP301, as the iron is tightly bound by AP301's acacia scaffold. Also, the volume of AP301 remains stable and insoluble across the physiologically relevant pH range in the GI tract. These properties effectively limit the iron absorption by the body from AP301. Moreover, compared with Sevelamer, the volume of AP301 experiences lower expansion when exposed to the gastric fluid present in the GI tract. This significantly reduces the incidence of GI adverse events such as nausea, vomiting, constipation, and obstruction. Lastly, AP301 does not disrupt the body's internal balance regarding water and electrolyte. The safety profile of AP301 has received endorsement from the FDA, which granted AP301 a waiver for a 2-year rodent carcinogenicity study noting a general lack of systemic absorption from the gastro-intestinal tract with the majority of AP301 being excreted in feces and the observation that AP301 did not induce pre-neoplastic changes in a 26-week rat toxicity study.

Convenience of Use

AP301 is orally administered in the capsule form, which is more convenient to swallow than tablets. It is tasteless, odorless, and does not require chewing. Also, AP301's high phosphate binding capacity lowers the pill burden and thus improves patient compliance. Compared with traditional phosphate binders, which require 7.5 to 14 grams of total mass for daily administration, the needed daily dosage of AP301 is expected to be much lower. Moreover, AP301 enhances GI motility, potentially alleviating constipation in the hyperphosphatemia patients.

Summary of Clinical Trials

The following sets forth an overview of the key clinical studies of AP301.

Study number	Phase	Study design	Sites	Subjects	Status	Patient enrollment
VDKDL001 . . .	I	Evaluate the tolerability, safety and efficacy of AP301	Australia	End stage renal disease patients undergoing hemodialysis	Completed	10 (Actual)
AP301-HP-01 . .	II	Evaluate the tolerability, safety and efficacy of AP301 to treat hyperphosphatemia	China	CKD patients receiving maintenance hemodialysis	Completed	158 (Actual)
AP301-HP-02 . .	III	Evaluate the efficacy and safety of AP301 on serum phosphorus control	China	CKD patients receiving maintenance dialysis (including hemodialysis and peritoneal dialysis) with hyperphosphatemia	Completed	474 (Actual)
AP301-HP-03 . .	III	Evaluate the efficacy and safety of AP301 on serum phosphorus control	China and the U.S.	CKD patients receiving maintenance dialysis (including hemodialysis and peritoneal dialysis) with hyperphosphatemia	Ongoing	282 (Actual)

All dosage levels indicated in the trial design refer to the dosage of the active moiety of AP301 and comparator.

VDKDL001: A dose escalation Phase I clinical trial of AP301 to evaluate the tolerability, safety and efficacy in end stage renal disease patients undergoing hemodialysis sponsored by Vidasym in Australia

Overview. This was a single-arm, dose escalation Phase I clinical trial of AP301. Its objective was to evaluate the tolerability, safety and efficacy of AP301 when given with meal for 8 weeks to hemodialysis patients with hyperphosphatemia.

Trial design. The trial enrolled 10 subjects. AP301 was orally administered with meal for 8 weeks. The starting dose was 1.50 g per day, and the dose was elevated step wise from 1.50 g to 2.25 g, 4.50 g and 6.75 g per day based on the safety assessment and plasma phosphorus level every 2 weeks during the 8-week treatment period. The primary endpoint was plasma inorganic phosphorus change from baseline to end of treatment.

Trial status. The trial was initiated in July 2015 and completed in June 2016. We acquired the protocol and results of the Phase I clinical trial from Vidasym, pursuant to the 2018 Vidasym Agreement.

Efficacy data. AP301 was demonstrated to be effective to hemodialysis patients with hyperphosphatemia. A significant difference of plasma inorganic phosphorus was found between baseline and end of treatment ($p<0.0001$), with a mean reduction of 2.40 mg/dL (95% CI: 1.68, 3.13).

Safety data. AP301 was demonstrated to be safe and well-tolerated to hemodialysis patients with hyperphosphatemia. The overall incidence of TEAEs was 70%. The incidence of drug related AEs was observed in 4 subjects (40%), which were mild or moderate in intensity. SAE occurred in 2 subjects. One subject died by SAE during the study. The investigators considered that all of the SAEs had no relationship to AP301.

AP301-HP-01: A dose-escalation and dose-ranging Phase II clinical trial to evaluate the tolerability, safety and efficacy of AP301 to treat hyperphosphatemia in CKD subjects receiving maintenance hemodialysis sponsored by us in China.

Overview. This is a multi-center, open-label, two-part, active-controlled Phase II clinical trial to evaluate the tolerability, safety and efficacy of various dosages of AP301 when given orally with meal for 6 weeks to treat hyperphosphatemia in CKD subjects receiving maintenance hemodialysis.

The trial consisted of two parts. Part 1 was a single-arm, multicenter, open-label, dose-escalation study to evaluate the tolerability and preliminary efficacy of AP301 for the treatment of hyperphosphatemia in CKD patients receiving maintenance hemodialysis. The primary objective of Part 1 was to assess the tolerability of escalating AP301 doses in patients. The secondary objectives were to: assess the association between the dose of AP301 and the reduction of serum phosphorus; assess the effects of AP301 on serum phosphorus, serum calcium, calcium phosphorus product and intact parathyroid hormone levels during dose escalation.

Part 2 was a multicenter, open-label, parallel-group, active-controlled, dose-ranging study to assess the safety and efficacy of different fixed doses of AP301 for the treatment of hyperphosphatemia in CKD patients receiving hemodialysis (including both hemodialysis and hemodiafiltration). The primary objective of Part 2 was to assess the efficacy of different fixed doses of AP301 in reducing serum phosphorus. The secondary objectives were to: assess the effects of different doses of AP301 and sevelamer carbonate on serum P, serum phosphorus, serum calcium, calcium phosphorus product and intact parathyroid hormone levels; assess the overall safety and tolerability of AP301 in the subjects.

Trial status. We initiated the Phase II clinical trial in October 2020 and completed the trial in April 2022.

Trial design. This trial enrolled 158 patients in total.

Part 1 enrolled 25 patients. All patients in Part 1 received a starting dosage of AP301 of 2.25 g/day. At the end of every two weeks, the dosage was escalated sequentially to 4.50 and 9.00 g/day based on the safety assessment and serum phosphorus levels. The primary endpoint was change of serum phosphorus from baseline to end of treatment in different fixed dose groups. The secondary endpoint included: change in serum phosphorus levels over time from baseline to the end of treatment; time to serum phosphorus response (defined as serum phosphorus level decreased at least 1 mg/dL and dropped below 5.5 mg/dL); proportion of subjects with serum phosphorus levels of 3.5-5.5 mmol/L at the end of treatment; change in serum calcium level from baseline to the end of treatment; change in calcium phosphorus product from baseline to the end of treatment; change in intact parathyroid hormone level from baseline to the end of treatment.

Part 2 enrolled 133 patients, which were randomized into the four experimental arms that received various dosages of AP301 (1.50, 2.25, 4.50 or 6.75 g/day) and one active control arm that received Sevelamer carbonate (4.80 g/day), an approved drug for hyperphosphatemia. The primary endpoint was change of serum phosphorus from baseline to end of treatment in different fixed dose groups. The secondary endpoint included: change in serum phosphorus levels over time from baseline to the end of treatment; time to serum phosphorus response (defined as serum phosphorus level decreased at least 1 mg/dL and dropped below 5.5 mg/dL); proportion of subjects with serum phosphorus levels of 3.5-5.5 mmol/L at the end of treatment; change in serum calcium level from baseline to the end of treatment; change in calcium phosphorus product from baseline to the end of treatment; change in intact parathyroid hormone level from baseline to the end of treatment.

Inclusion criteria included: male or female aged 18 years and above; on a stable hemodialysis treatment 3 times per week for more than 12 weeks before the screening and throughout the study period; serum phosphorus level > 6 mg/dL but < 10 mg/dL at the screening visit (if the patient was not taking any phosphate binder at screening visit) or at the end of the washout period (if the patient was taking phosphate binder(s) at the screening visit).

Exclusion criteria included: renal transplant patient or scheduled renal transplant, or change to peritoneal dialysis/home hemodialysis, or plan to change the dialysis regimen or relocate to another hemodialysis center during the study period; serum phosphorus level of patients who were on phosphate binder(s) was lower than 4.0 mg/dL or higher than 7.5 mg/dL at screening, and serum phosphorus level was above 10 mg/dL once during laboratory tests within 3 months before screening (including test as screening); serum calcium level was lower than 8 mg/dL or higher than 11 mg/dL; serum intact parathyroid hormone level was >800 pg/mL at screening.

Efficacy data. In Part 1, serum phosphorus significantly improved (mean change -2.0 mg/dL; 95% confidence interval -2.7, -1.4) after AP301 dose escalation. In Part 2, serum phosphorus significantly and dose-dependently improved in all AP301 arms, with clinically meaningful reductions with AP301 4.50 and 6.75 g/day, and Sevelamer carbonate 4.80 g/day (mean change at -1.6 (-2.2, -1.0), -1.8 (-2.4, -1.2) and -1.4 (-2.2, -0.5) mg/dL, respectively). In both parts, serum phosphorus reductions occurred within 1 week of AP301 initiation.

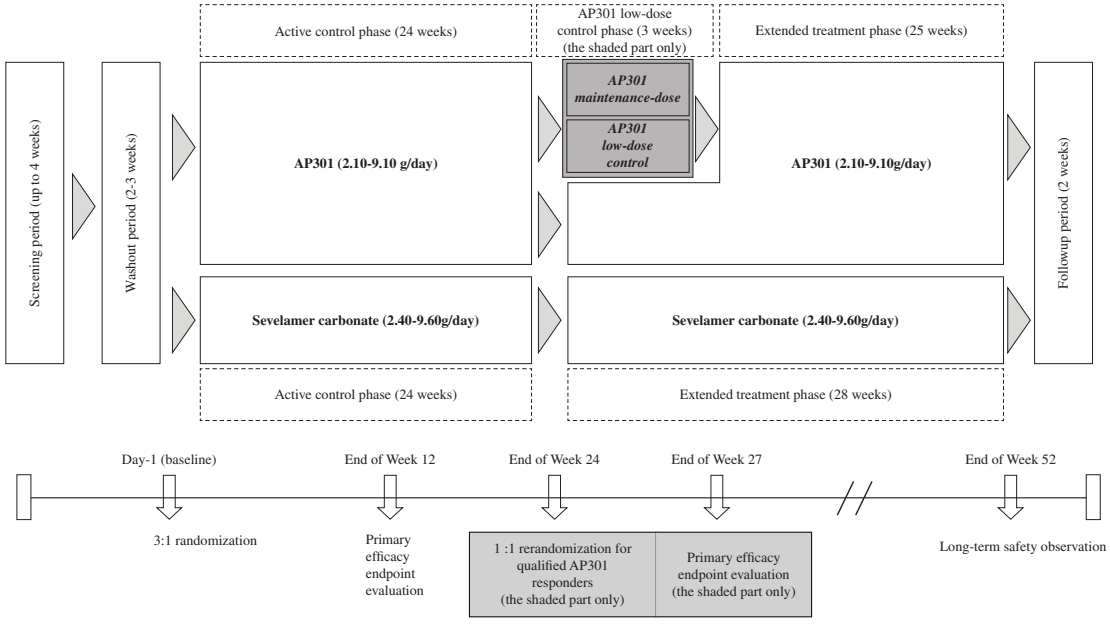
Safety data. AP301 was well tolerated with a manageable safety profile. Most patients reported one or more TEAE. Most TEAEs were mild in severity. All SAEs were assessed as not drug-related. The most common AEs were GI disorders, mainly feces discolored (63.5%) and diarrhea (16.5%; generally during Weeks 1-2 of treatment). Most GI disorders resolved without intervention.

AP301-HP-02: A Phase III clinical trial to evaluate the efficacy and safety of AP301 for controlling serum phosphorus in CKD patients receiving maintenance dialysis (including hemodialysis and peritoneal dialysis) with hyperphosphatemia sponsored by us in China.

Overview. This is a randomized, open-label, multi-center, Phase III clinical trial to evaluate the efficacy and safety of AP301 on serum phosphorus control in chronic kidney disease patients receiving maintenance dialysis (including hemodialysis and peritoneal dialysis) with hyperphosphatemia. This trial has two primary objectives: (i) the superiority of maintenance dose versus ineffective low dose of AP301; and (ii) the non-inferiority of AP301 versus Sevelamer carbonate on serum phosphorus control. The secondary objectives were to assess: overall efficacy of AP301 in controlling serum phosphorus in dialysis patients with hyperphosphatemia; effect of AP301 on serum calcium, calcium phosphorus product and intact parathyroid hormone levels in dialysis patients with hyperphosphatemia; safety and tolerability of AP301 in dialysis patients with hyperphosphatemia.

Trial status. We initiated the Phase III clinical trial in June 2023 and completed the trial in June 2025. The trial met its primary endpoint, demonstrating a statistically significant and clinically meaningful improvement in serum phosphorus control with AP301. The safety profile of AP301 was favorable and consistent with previous studies.

Trial design. A total of 474 patients were enrolled in this trial. The trial consisted of four periods: (i) a screening period of up to 4 weeks; (ii) a washout period of 2 to 3 weeks; and (iii) a treatment period of 52 weeks containing a 24-week active control phase, a 3-week AP301 low dose control phase, and a 25 or 28-week extension treatment phase; and (iv) a follow up period of 2 weeks after the participants' completion or discontinuation of the study treatment. Below is a general illustration of the trial design.



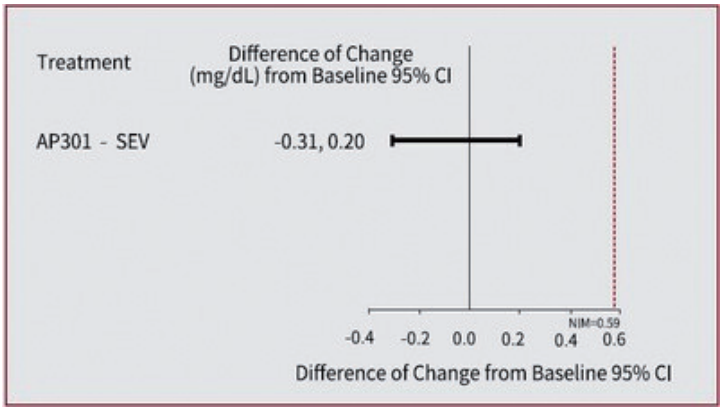
The primary endpoints included: (i) the change in serum phosphorus levels between patients with hyperphosphatemia who responded to AP301 and continued on the AP301 maintenance dose and the low-dose AP301 control group from Week 24 to Week 27 or the end of the low-dose control period (whichever occurred first), and (ii) the changes in serum phosphorus levels from baseline to the end of Week 12 or the end of treatment (whichever occurred first), in the AP301 group and the Sevelamer carbonate group.

Secondary endpoints included the achievement rate of serum phosphorus in the target range (3.5-5.5 mg/dL); changes in serum calcium; changes in serum phosphorus; changes in serum calcium times phosphorus product; changes in intact parathyroid hormone; and the time to reach the first serum phosphorus response.

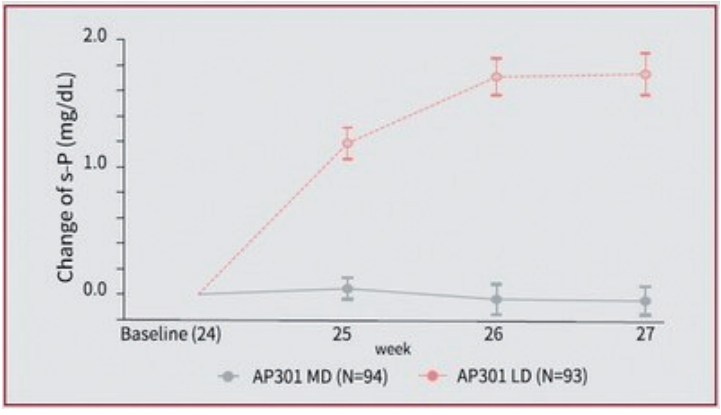
Inclusion criteria were: male or female aged 18 years and above; on hemodialysis treatment for at least 3 months before the screening and throughout the study period; serum phosphorus level > 3.5 mg/dL but < 8 mg/dL at the screening visit and serum phosphorus level > 6 mg/dL but < 10 mg/dL at the end of the washout period, if the patient receives phosphate binders; serum phosphorus level > 6 mg/dL but < 10 mg/dL at the screening visit, if the patient has not received phosphate binders for at least two consecutive weeks before the screening visit.

Exclusion criteria were: history or plan of kidney transplantation; history of parathyroid intervention 6 months before signing the informed consent form or planned parathyroid intervention; serum calcium < 7.6 mg/dL or > 11 mg/dL at screening; serum intact parathyroid hormone > 1000 pg/mL at screening.

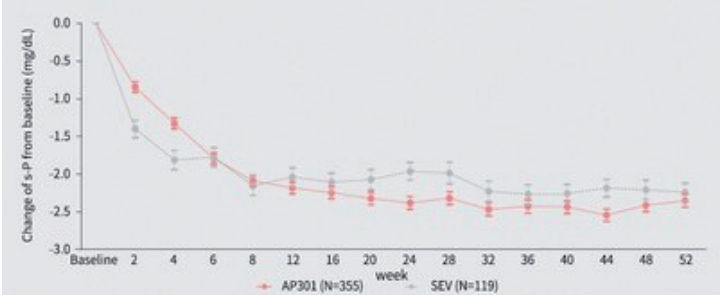
Efficacy data. At week 12, AP301 demonstrated non-inferiority to Sevelamer carbonate: the least squares mean ("LSM") reduction from baseline was 2.22 mg/dL for AP301, compared to 2.17 mg/dL for Sevelamer carbonate. The LSM difference was -0.06 mg/dL (95% CI: -0.31, 0.20).



At week 27, AP301 maintenance dose showed a clinically and statistically significant superiority on serum phosphate control over an ineffective AP301 low dose in the low dose control phase. The LSM difference was -1.8 mg/dL (95% CI: –2.1, –1.5; P <0.001).



AP301 achieved persistent serum phosphate reduction over 52 weeks, suggesting its long-term therapeutic effect. It also showed a numerically higher serum phosphate response rate in the AP301 arm (66.7%) compared to the Sevelamer carbonate arm (58.6%) at Week 52, and with a lower mean daily dose exposure 6.52 g/day in AP301 versus 7.56 g/day in Sevelamer carbonate.



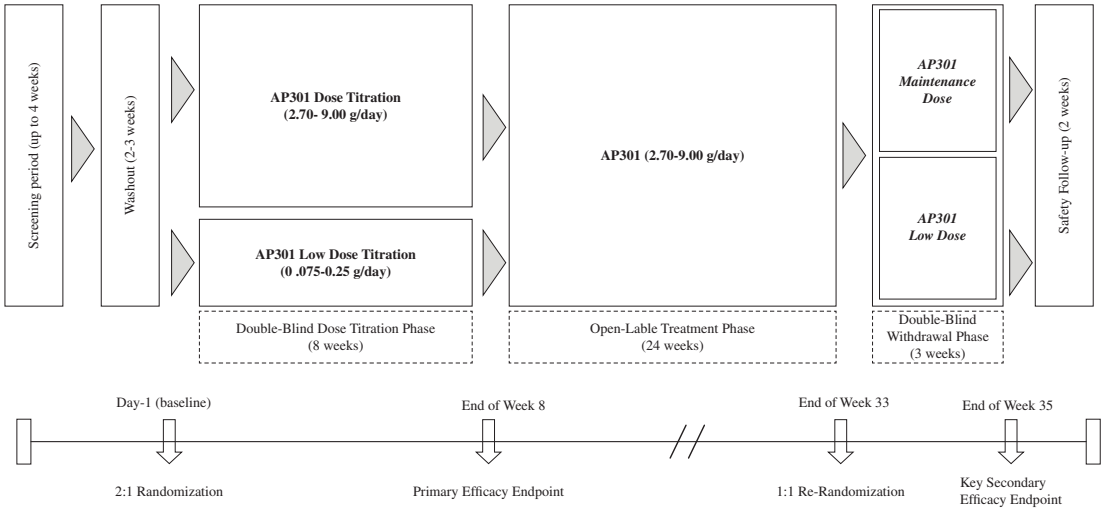
Safety data. Most participants experienced at least one AE (96.3% in AP301 and 90.8% in Sevelamer carbonate). Diarrhea was the most common AE leading to study discontinuation in the AP301 arm (2/355, 0.6%), typically occurring within the first 2–4 weeks and predominantly mild in severity.

AP301-HP-03: A Phase III clinical trial to evaluate the efficacy and safety of AP301 on serum phosphorus control in CKD patients receiving maintenance dialysis (including hemodialysis and peritoneal dialysis) with hyperphosphatemia sponsored by us in multiple regions (including China and the U.S.).

Overview. This is a double-blind, randomized, multi-regional, Phase III clinical trial to evaluate the efficacy and safety of AP301 on serum phosphorus control in chronic kidney disease patients receiving maintenance dialysis (including hemodialysis and peritoneal dialysis) with hyperphosphatemia. The primary objective is to evaluate the superiority of AP301 versus AP301 low dose (ineffective dose) on serum phosphorus control during the double-blind dose titration phase in dialysis patients with hyperphosphatemia. The key secondary objective is to evaluate the superiority of AP301 maintenance dose versus AP301 low dose (ineffective dose) on serum phosphorus control during the double-blind randomized withdrawal phase in dialysis patients with hyperphosphatemia. Other secondary objectives include assessing the effects of AP301 on changes in serum calcium, calcium phosphorus product, and intact parathyroid hormone levels and the effect of AP301 treatment on health-related quality of life in dialysis patients with hyperphosphatemia in China.

Trial status. We initiated the Phase III clinical trial in July 2025 and expect to complete the trial in the second quarter of 2027. The China portion of this MRCT (AP301-HP-03) is separate from and does not rely on any data from the China Phase III clinical trial (AP301-HP-02).

Trial design. The patient enrollment was completed in April 2026 and the trial has recruited 144 patients in China and 138 patients in the U.S. The trial will consist of four periods: (i) a screening period of up to 4 weeks; (ii) a washout period of 2 to 4 weeks; and (iii) a treatment period of 35 weeks; and (iv) a follow up period of 2 weeks after the participants' completion or discontinuation of the study treatment. The treatment period will contain a dose titration phase, a treatment phase and a withdrawal phase. Below is a general illustration of the trial design.



The primary endpoint will be change in serum phosphorus levels from baseline to the end of dose titration phase, between the AP301 and AP301 low dose in hyperphosphatemia patients. The secondary endpoint will be change in serum phosphorus levels from the end of open-label treatment phase to the end of withdrawal phase, between the maintenance dose of AP301 and low dose of AP301 in hyperphosphatemia patients previously treated with AP301. Safety endpoints include number (percentage) of participants with TEAEs and SAEs.

Inclusion criteria were: aged 12 years and above; on hemodialysis treatment for at least 3 months before the screening and throughout the study period; treated with phosphate lowering products for hyperphosphatemia over 4 weeks and whose serum phosphate level > 3.5 mg/dL but < 8 mg/dL at the screening visit and serum phosphorus level > 6 mg/dL but < 10 mg/dL at the end of the washout period, with increase of serum phosphate level from screening after washout.

Exclusion criteria were: history of kidney transplantation (except for allograft failure), or plan to receive kidney transplantation, change of dialysis modality, or plan to relocate to another non-participating dialysis center during the study period; history of parathyroid intervention 6 months before signing the informed consent form or planned parathyroid intervention; serum calcium < 7.6 mg/dL or > 11 mg/dL at screening; serum intact parathyroid hormone > 1200 pg/mL at screening.

Clinical Development Plan

In China, based on the satisfactory efficacy and safety results obtained from the Phase II clinical trial and subsequent completion of the Phase III China clinical trial, we expect to file an NDA for AP301 with the NMPA in June 2026. Separately, following communications with the FDA regarding the regulatory requirements for a direct marketing application in the U.S., we initiated a Phase III MRCT of AP301 in July 2025, and we expect to complete the Phase III MRCT of AP301 in the second quarter of 2027 and file an NDA with the FDA in the third quarter of 2027. We conduct the Phase III MRCT solely for the purpose of obtaining direct marketing application with the FDA. The inclusion of China as one of the clinical trial sites in the Phase III MRCT, together with the U.S., is not mandated by the competent authorities. Rather, it reflects our assessment that conducting part of the MRCT in China is operationally efficient and enables timely patient recruitment under a unified clinical protocol, while maintaining compliance with applicable regulatory requirements. Both China and the U.S. are the primary trial locations for the Phase III MRCT, and all participating sites in the Phase III MRCT are conducted under the same clinical protocol, including consistent trial objectives and endpoints. The Phase III MRCT is independent from, has no reliance on the results of the China Phase III clinical trial (AP301-HP-02), and is unrelated to the planned NDA for AP301 to the NMPA. We plan to include the Phase III MRCT results (in both the U.S. and China) in the NDA for AP301 to the FDA. In addition, we plan to initiate a Phase III clinical trial of AP301 as a first line treatment of hyperphosphatemia in CKD patients not on dialysis in the fourth quarter of 2030 in China.

After completion of the Phase III MRCT, we expect to initiate a Phase III clinical trial of AP301 as a first line treatment of hyperphosphatemia in CKD patients receiving dialysis in the third quarter of 2028 in the EU. As confirmed by CIC, it is a common industry practice to initiate a Phase III clinical trial in the EU, based on the results of a completed Phase III clinical trial of the same drug candidate in the U.S. We are currently in communication with the EMA regarding the protocol design of the planned Phase III clinical trial in the EU.

We currently do not have any clinical development plan for AP301 in Australia. This is not due to any safety or efficacy concerns relating to AP301, but because Australia is not considered as a target market for the sales of AP301. It is a common industry practice to have Phase I clinical trials in Australia, as Australia can provide faster patient recruitment, relatively controllable clinical trial costs, a racially diverse population, and clinical data that are generally acceptable by other competent authorities. Therefore, the Phase I data of AP301 can support its further clinical development of in Chinese Mainland, the U.S. and the EU.

Material Communications with Competent Authorities

We submitted the IND application to conduct a Phase II clinical trial of AP301 in China (AP301-HP-01) in October 2019, based on results of Phase I clinical trial of AP301 in Australia, and received IND clearance from the NMPA in January 2020. The details of the Phase II clinical trial stipulated in the submitted IND application are as follows.

Indication	Hyperphosphatemia
Therapy type	Monotherapy
Stage of treatment	First-line
Patient cohort	CKD patients receiving maintenance hemodialysis

The stipulated primary and secondary objectives, primary and secondary endpoints, and inclusion and exclusion criteria are as set forth in the above disclosure of the trial design of AP301-HP-01.

After completion of the Phase II clinical trial, we submitted the IND application to conduct a Phase III clinical trial of AP301 in China (AP301-HP-02) in December 2022 and received IND clearance from the NMPA in March 2023. The NMPA IND clearance was based on the results of Phase I clinical trial of AP301 in Australia and Phase II clinical trial of AP301 in China. The details of the Phase III clinical trial stipulated in the submitted IND application are as follows.

Indication	Hyperphosphatemia
Therapy type	Monotherapy
Stage of treatment	First-line
Patient cohort	CKD patients receiving maintenance dialysis (including hemodialysis and peritoneal dialysis)

The stipulated primary and secondary objectives, primary and secondary endpoints, and inclusion and exclusion criteria are as set forth in the above disclosure of the trial design of AP301-HP-02.

Both the FDA and the NMPA have independently reviewed and approved the trial plan of the Phase III MRCT (AP301-HP-03). Although the clinical trial protocol (including clinical trial objectives and endpoints) of the Phase III MRCT of AP301 was reviewed and approved by the NMPA because Chinese Mainland is included as one of the clinical trial sites, the protocol was designed to principally meet the FDA's requirements, and only the FDA will review the Phase III MRCT results for the purpose of granting marketing approval in the U.S. We submitted to the FDA the IND application to conduct a Phase III MRCT (AP301-HP-03) in June 2024 and received the IND clearance from the FDA in July 2024. We submitted to the NMPA the IND application to conduct a Phase III MRCT (AP301-HP-03) in April 2025 and received the IND clearance from the NMPA in June 2025. The IND clearances from the FDA and the NMPA were both based on the results of Phase I clinical trial of AP301 in Australia and Phase II clinical trial of AP301 in China. The details of the Phase III MRCT stipulated in the submitted IND applications are as follows.

Indication	Hyperphosphatemia
Therapy type	Monotherapy
Stage of treatment	First-line
Patient cohort	CKD patients receiving maintenance dialysis (including hemodialysis and peritoneal dialysis)

The stipulated primary and secondary objectives, primary and secondary endpoints, and inclusion and exclusion criteria are as set forth in the above disclose of the trial design of AP301-HP-03.

Licenses, Rights and Obligations

AP301 was initially discovered and developed by Vidasym, which is a U.S.-based clinical-stage drug discovery and development company with a focus on CKD complications and osteoporosis. Dr. Jin Tian, our co-founder and chief medical officer was heavily involved in Vidasym's early-stage research and clinical development. Dr. Tian is no longer an employee or

consultant of Vidasym since 2019. We have no competition with Vidasym as it focuses on a different therapeutic area. Vidasym completed a Phase I clinical trial of AP301 in Australia. We in-licensed the full China right and later acquired global rights relating to AP301 in 2018 and 2021, respectively, with no future milestone and royalty obligations from Vidasym following the close of the below transactions. Led by Dr. Jin Tian, we have solely designed and independently conducted the clinical trials of AP301 except the Phase I clinical trial in Australia (VDKDL001). Led by Dr. Shu Chutian, our chief technology officer, we independently established a proprietary manufacturing process for AP301 and constructed an in-house facility in Yangzhou for the manufacturing of AP301. For more details, please refer to "Business — Major Collaboration Arrangements — Collaboration Arrangement with Vidasym, Inc."

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET AP301 SUCCESSFULLY.

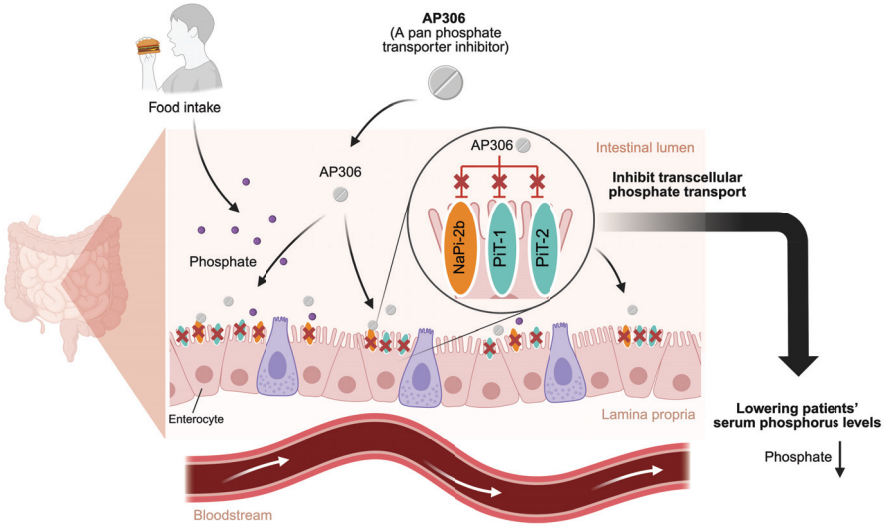
AP306: A Differentiated Pan-Phosphate Transporter Inhibitor

Overview

AP306 is the world's first and, as of the Latest Practicable Date, the only pan-phosphate transporter inhibitor in clinical development for the treatment of hyperphosphatemia. We hold the global rights for the development, manufacture and commercialization of AP306.

Mechanism of Action

Hyperphosphatemia can potentially be treated by reducing intestinal absorption of phosphate. Two different mechanisms — passive paracellular transport via tight junctions and active transcellular transport — contribute to the intestinal absorption of phosphate. The active transport of phosphate involves the sodium-dependent NaPi-IIb, PiT-1, and PiT-2. The inhibition of these transporters is able to control hyperphosphatemia.



AP306 is an oral pan-phosphate transporter inhibitor (NaPi-IIb, PiT-1 and PiT-2). It inhibits the active phosphate transport in the intestine and has the potential to inhibit active phosphate absorption with a much lower pill burden as compared to phosphate binders.

Market Opportunity and Competition

AP306 targets hyperphosphatemia. For details, see "— AP301: Our Core Product, An Oral Phosphate Binder for the Treatment of Hyperphosphatemia — Market Opportunity and Competition."

Competitive Advantages

Differentiated MOA

AP306 is the first pan-phosphate transporter inhibitor developed clinically. This differentiated mechanism offers a more efficient and effective approach to phosphate control, representing a paradigm shift in hyperphosphatemia treatment. By targeting the absorption itself, AP306 is able to achieve deep and durable control of serum phosphate level, which is especially beneficial for patients with refractory hyperphosphatemia or those requiring optimal and aggressive phosphate management.

Outstanding Efficacy

With this differentiated MOA, AP306 exhibits outstanding efficacy. In our Phase II clinical trial, AP306 demonstrated a mean serum phosphate reduction of 2.51 mg/dL, and nearly 95% of patients had their serum phosphate levels controlled at less than 5.5 mg/dL by Week 7-8. This efficacy outperforms classic binders such as Sevelamer, which brought around 50% of patients to the serum phosphate level at less than 5.5 mg/dL by Week 7-8 in the same clinical trial. Also, AP306 was able to lower the average serum phosphate level to between 3.5 and 4.5 mg/dL, a target few phosphate binder can reach. This outstanding efficacy further indicates AP306's potential to expand its indication to non-dialysis dependent CKD patients.

Favorable Safety Profile

AP306 demonstrated a favorable safety profile. In the Phase II clinical trial, the most common adverse events were GI disorders and diarrhea, and any observed diarrhea was mild and manageable. The discontinuation rate due to AEs was less than 5%, and there was no premature discontinuation due to GI adverse effects.

Convenience of Use

AP306 offers a reduction in pill burden, requiring only 2-3 small tablets, a significant contrast to 6-12 tablets daily typically needed for traditional phosphate binders.

Summary of Clinical Trials

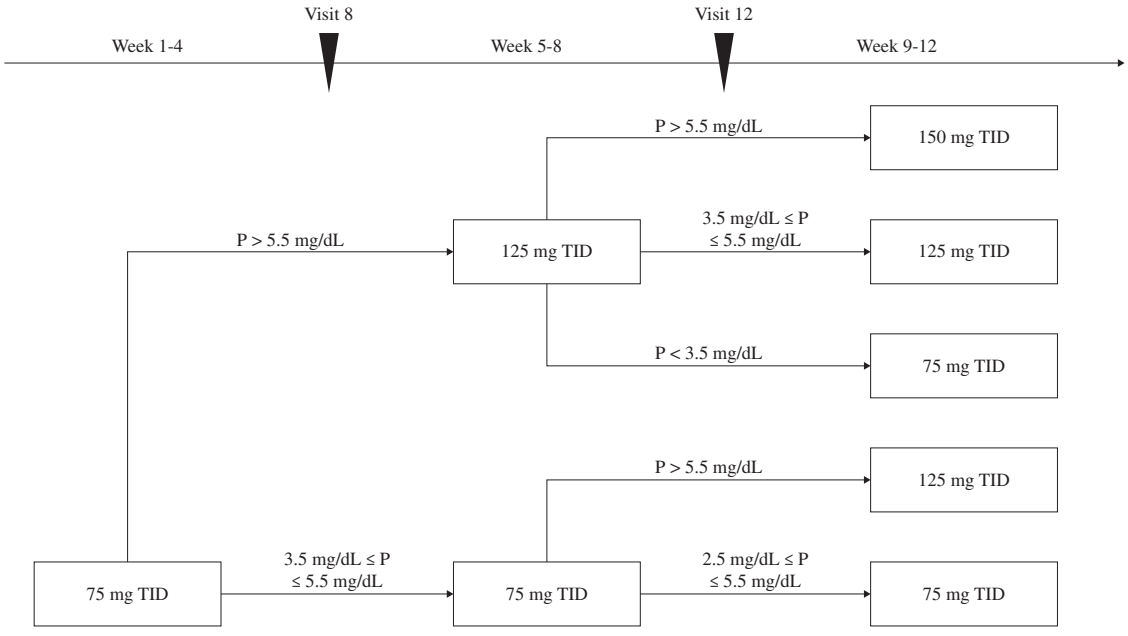
AP306 has completed the Phase II clinical trial stage in China and initiated a Phase IIb MRCT in May 2026. All dosage levels indicated in the trial design refer to the dosage of the active moiety of AP306 and comparator.

AP306-HP-01: A Phase II clinical trial to evaluate the safety and serum phosphorus lowering effect of AP306 in chronic kidney disease patients receiving maintenance hemodialysis with hyperphosphatemia in China sponsored by us.

Overview. This is a randomized, open-label, active-controlled, multicenter Phase II clinical trial to evaluate the safety and serum phosphorus lowering effect of AP306 in chronic kidney disease patients receiving maintenance hemodialysis with hyperphosphatemia. The goal of this clinical trial is to evaluate the efficacy (assessed by blood phosphorus lowering), safety and tolerability of AP306 in the patients receiving maintenance hemodialysis with elevated blood phosphorus.

Trial status. We initiated the Phase II clinical trial in March 2023 and completed the trial in October 2023. The results of the trial were presented through the Focused Oral at the 61st ERA Congress in 2024.

Trial design. The trial enrolled 55 patients, who were randomized into two groups. The experimental group, which included 27 patients, received AP306 for 12 weeks. The active comparator group, which included 28 patients, received Sevelamer carbonate for 12 weeks. The dose of AP306 and Sevelamer was adjusted every 4 weeks to keep serum phosphate in the target range of 3.5 to 5.5 mg/dL. The investigational dose of AP306 was initiated at 75 mg and increased stepwise to 125 mg, and 150 mg three times a day with meals. The dosing schedule of AP306 is illustrated below.



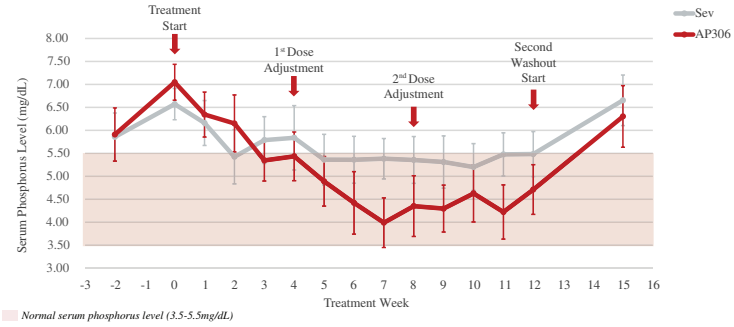
Abbreviations: P: serum phosphorus; TID: three times a day

The primary endpoint was defined as the mean changes in serum phosphate from baseline to the end of treatment. Secondary endpoints included: time to first occurrence of serum phosphate ≤5.5 mg/dL; change in serum phosphate from baseline over time; the proportion of patients with serum phosphate concentration between 2.5 and 4.5 mg/dL over time.

Efficacy data. The AP306 and sevelamer groups achieved decrease in serum phosphate of -2.51 mg/dL (95% confidence interval: -3.07, -1.92) and -1.08 mg/dL (95% confidence interval: -1.58, -0.59), respectively. The proportions of patients achieving the recommended range as per the KDIGO guidelines (2.5-4.5 mg/dL) were about 20% higher in AP306 than in Sevelamer, starting from treatment week 5.

Serum phosphate concentrations in both groups decreased after the first week of treatment, and this reduction was maintained until the end of the 12-week treatment period. The magnitude of this reduction was more pronounced in the experimental group that received AP306. Serum phosphate concentrations returned to near baseline values 3 weeks after discontinuation of AP306 and Sevelamer carbonate in the experimental group and the active comparator group, respectively. The proportion of patients with serum phosphate concentrations between 2.5 and 4.5 mg/dL (the normal serum phosphate level) was consistently higher among those randomized to the AP306 group after 5 weeks of treatment (48% vs. 25%) and was maintained until the end of the 12-week treatment period (44% vs. 21%).

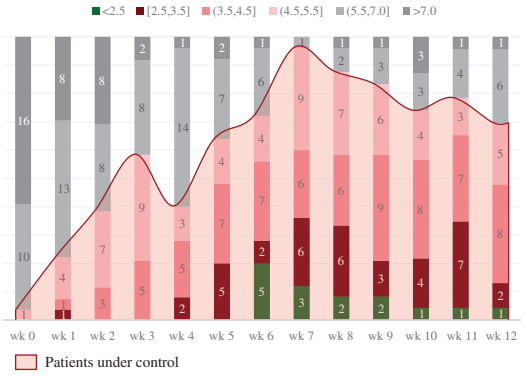
Regarding actual exposure to treatment in the trial, the daily doses of AP306 were lower than Sevelamer. The mean daily dose (± SD) of AP306 was 288 ± 82 mg after two dose level adjustments, while that of Sevelamer was 4,651 ± 1,899 mg. Notably, the daily dose of AP306 was stabilized below 300 mg after two dose level adjustments, suggesting that no more than 3 tablets daily would be required in clinical practice, assuming a formulation of tablets containing 100 or 150 mg of AP306. The figure below shows the change of serum phosphate concentration over time in the enrolled patients.



	AP306	Sevelamer
Subject (N)	27	28
Baseline: Serum P	7.06 mg/dL	6.57 mg/dL
End of treatment: Serum P	4.55 mg/dL	5.48 mg/dL
Primary Endpoint *(Change from BL to wk 12)*	**-2.51 mg/dL** (95% CI -3.07, -1.92)	-1.08 mg/dL (95% CI -1.58, -0.59)
Avg. Dose during the third 4-week treatment	**98.0 mg TID**	1571.4 mg TID
End of wk16	6.29 mg/dL	6.66 mg/dL

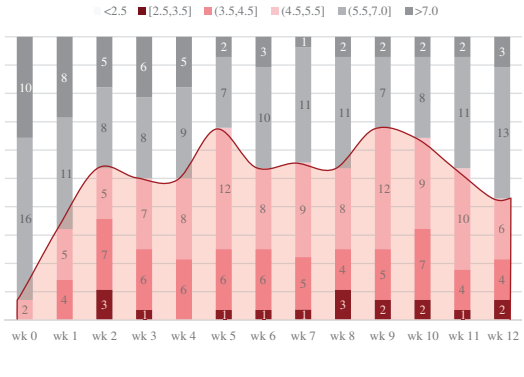
The figures below show the change of proportion of enrolled patients within designated target ranges over time.

AP306: # of patients in different S-P range *(by treatment week)*



Total Pt. #	27	27	26	26	25	25	25	25	24	24	23	23	23
Avg. dose (mg)		75.0	75.0	75.0	75.0	105.0	105.0	105.0	104.2	100.0	98.9	98.9	96.7
Response % (<=5.5 mg/dL)	3.7%	22.2%	38.5%	58.3%	40.0%	64.0%	72.0%	**96.0%**	**87.5%**	83.3%	73.9%	78.3%	**69.6%**

Sevelamer: # of patients in different S-P range *(by treatment week)*



28	28	28	28	28	28	28	28	28	28	28	28	28	28
	914.3	914.3	914.3	914.3	1,314.3	1,314.3	1,303.7	1,314.3	1,571.4	1,571.4	1,571.4	1,571.4	
7.4%	33.3%	55.6%	51.9%	51.9%	**66.7%**	55.6%	53.8%	55.6%	70.4%	66.7%	55.6%	**44.4%**	

Safety data. AP306 demonstrated a favorable safety profile. Over the 12-week treatment period, 78% and 57% of the patients in the experimental and active control groups, respectively, experienced at least one treatment related TEAE. Most of the reported TEAEs were assessed as Grade 1 or 2. The most reported AEs associated with AP306 were GI disorders, most of which were mild to moderate diarrhea (44.4%).

Clinical Development Plan

We and R1 initiated a Phase IIb MRCT of AP306 in May 2026 and expect to complete the trial in the second quarter of 2027. R1 is in negotiation with the FDA and coordinating with us to finalize the protocol for the Phase IIb MRCT, aiming to meet the FDA's expectation to count the Phase IIb MRCT as a pivotal clinical trial for AP306 to support a direct marketing application of AP306 to the FDA. Another pivotal clinical trial of AP306 for supporting the marketing application with the FDA is expected to be a Phase III MRCT, which is expected to commence in 2027.

In China, we plan to leverage the data of the Phase IIb MRCT and the Phase III MRCT to support a direct marketing application of AP306 to the NMPA, thereby potentially obviating the need to conduct a separate Phase III clinical trial in China. We perceive no significant obstacles in leveraging the data of the Phase IIb MRCT and the Phase III MRCT to support a direct marketing application of AP306 with the NMPA. It is common for the NMPA to grant marketing approval of a drug product based on clinical data of MRCTs, as confirmed by CIC. We intend to request an end-of-phase-II meeting with NMPA in 2027, to seek the NMPA's confirmation of the aforementioned plan regarding the marketing application of AP306. If, however, the NMPA determines that we must conduct a separate Phase III clinical trial of AP306 in China for the marketing application of AP306, instead of leveraging the Phase IIb MRCT and Phase III MRCT data, then we expect to initiate a separate China Phase III clinical trial and then submit an NDA for AP306 with the NMPA in 2029.

Material Communications with Competent Authorities

We submitted to the NMPA an IND application to conduct a Phase II clinical trial of AP306 in August 2022, based on results of Phase 1 clinical trial of AP306 in Japan and the U.S. conducted by Chugai and completed in August 2018, and received the IND clearance in December 2022. The scope of the IND clearance covered the AP306-HP-01 Phase II clinical trial.

In October 2024, we submitted to the FDA an IND application to conduct a Phase IIb clinical trial of AP306 and received the FDA IND clearance in November 2024. In November 2024, we submitted to the NMPA an IND application to conduct a Phase IIb clinical trial of AP306 and received the NMPA IND clearance in February 2025. The FDA and NMPA IND clearances were both based on results of Phase I clinical trial of AP306 in Japan and the U.S. and Phase II clinical trial of AP306 in China. The Phase I clinical trial of AP306 in Japan and the U.S. was completed by Chugai.

In August 2025, we submitted to the FDA and the NMPA a protocol amendment of the planned Phase IIb MRCT, by shortening the treatment period from 12 weeks to 8 weeks. Neither the FDA nor the NMPA has raised any objection or concern to the amendment.

Licenses, Rights and Obligations

AP306 was initially discovered and developed by Chugai, which completed a Phase I clinical trial of AP306 in Japan and the U.S. and shared with us the results of the Phase I clinical trial. Founded in 1925, Chugai is one of Japan's leading research-based pharmaceutical companies. Chugai, based in Tokyo, specializes in prescription pharmaceuticals and is listed on the Tokyo Prime Stock Exchange. We obtained the global development and commercialization rights for AP306. We have independently conducted the Phase II clinical trial of AP306. For more details, please refer to "Business — Major Collaboration Arrangements — Collaboration Arrangement with Chugai Pharmaceutical Co., Ltd."

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET AP306 SUCCESSFULLY.

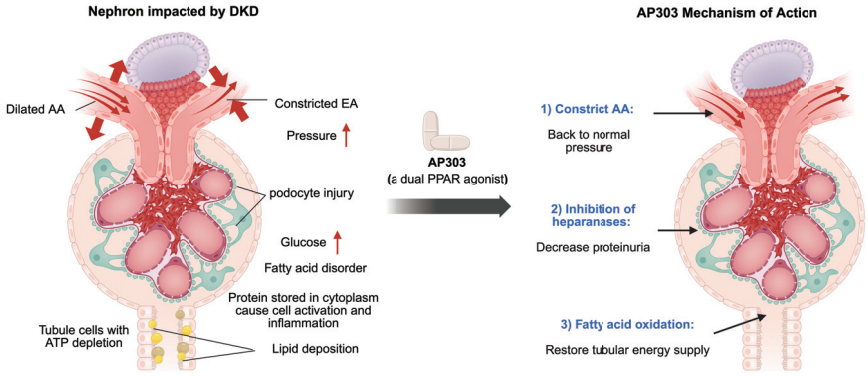
AP303: A Differentiated Dual PPAR Agonist for Broad Renal Protection

Overview

AP303 is a small molecule dual PPAR agonist. It is developed as a potential treatment for a broad spectrum of high-value indications, including among others, DKD, IgAN, ADPKD and FSGS. We self-discovered and internally developed AP303 and hold the global rights for its development, manufacture and commercialization. Dr. Tian led our internal development of AP303.

Mechanism of Action

AP303 is an orally administered, dual PPAR agonist. PPARs are nuclear receptors that mediate diverse metabolic and cellular functions. Lipid and glucose metabolism, energy homeostasis, and inflammation in organisms are all regulated by PPARs transcription. PPARs have been demonstrated to have broad therapeutic potential by coordinately modulating multiple pathological processes such as inflammation, oxidative stress, and mitochondria abnormalities in kidney disease. PPAR activation may protect the kidneys in CKD by regulating lipid metabolism and attenuating fibrosis. AP303 is designed to simultaneously target the three core pathological pillars of CKD progression: (i) aberrant intraglomerular pressure, (ii) podocyte dysfunction or loss, inflammation and fibrosis, and (iii) tubular metabolic dysfunction. Further, AP303 is designed to have a balanced PPAR activity ratio.



Market Opportunity and Competition

As of the Latest Practicable Date, globally there were seven approved drugs for DKD, four approved drugs for IgAN, one approved drug for ADPKD, and no approved drug specifically for FSGS. For more details, see "Industry Overview."

Competitive Advantages

Differentiated MOA

AP303 is designed to simultaneously target the three core pathological pillars of CKD progression. Current standards of care, such as ACE inhibitors and ARBs, primarily address one or two of the three pathological pillars.

Potential Synergy with Other Renal Disease Treatments

AP303 may achieve synergistic effects when used in combination with other renal disease treatments. For instance, AP303 may synergize with GLP-1 receptor agonists or SGLT2 inhibitors to achieve greater renal protection. This ability to enhance existing therapies significantly expands its clinical utility and market potential, positioning AP303 as the indispensable "plus" in the emerging combination paradigm.

Diverse Potential Indications

AP303 is designed to deliver broad renal protection across a broad spectrum of high-value indications, including among others, DKD, IgAN, FSGS and ADPKD. AP303 has received ODD from the FDA for ADPKD, underscoring its potential to transform the renal treatment landscape. AP303's mechanism offers the potential for a more profound and durable treatment effect. In preclinical models, AP303 demonstrated reductions in proteinuria across multiple nephropathy

mouse models (including DKD, IgAN, and FSGS), alongside improved TKV and renal survival in various ADPKD mouse models. Compared with renal protective agents such as SGLT2i and GLP-1 RA, AP303 can significantly reduce patients' risk of progressing to dialysis and delay disease progression.

Summary of Clinical Trials

The following sets forth an overview of the key clinical studies of AP303.

Study number	Phase	Study design	Sites	Subjects	Status	Patient enrollment
AP303-PK-01	I	Assess the safety, tolerability, and pharmacokinetics of AP303	Australia	healthy adult subjects	Completed	62 (Actual)
AP303-PK-02	I	Assess the safety, tolerability, PK and PD of AP303	China	healthy adult subjects	Completed	18 (Actual)
AP303-PK-03	Ib	Assess the safety, tolerability, PK and PD of AP303	China	DKD patients with renal impairment	Completed	18 (Actual)

AP303-PK-01: A Phase I clinical trial to assess the safety, tolerability, and pharmacokinetics ("PK") of AP303 in healthy adult subjects in Australia sponsored by us.

Overview. This is a single-center, randomized, double-blind, placebo-controlled, first-in-human Phase I clinical trial in which the safety, tolerability, and PK of orally administered AP303 were assessed in healthy adult subjects. The primary objectives were to: (i) assess the safety and tolerability of single dose and multiple doses of AP303 when administered orally to healthy subjects, and (ii) characterize the single-dose and multiple-dose PK of AP303 in healthy subjects. The secondary objective was to explore the effect of food on the PK of AP303 after single dose administration.

Trial status. We initiated the Phase I clinical trial in December 2022 and completed the trial in July 2023. Although Australia is not considered as a target market, one Phase I clinical trial of AP303 was conducted in Australia, because Australia can provide faster patient recruitment, relatively controllable clinical trial costs, a racially diverse population, and clinical data that are generally acceptable by other competent authorities. Therefore, the Phase I data of AP303 can support its further clinical development of in Chinese Mainland, the U.S. and Europe.

Trial design. The trial enrolled 62 subjects. It consisted of two parts: Part A was a single ascending dose ("**SAD**") phase enrolling a total of 4 cohorts of healthy subjects; Part B was a multiple ascending dose ("**MAD**") phase enrolling 3 cohorts of healthy subjects.

Part A enrolled 38 subjects, who were sequentially enrolled into 1 of 4 planned SAD cohorts. The dose escalation sequence was 50 μg, 150 μg, 300 μg and 600 μg. The subjects were confined to a clinical research unit ("**CRU**") on Day 1 and discharged on Day 4. On Day 1, subjects were administered a single oral dose of AP303 or placebo under the fasting conditions. Food effect was evaluated for Cohort 2.

Part B enrolled 24 subjects, which were divided into 3 cohorts. The subjects were confined to a CRU on Day 1 and discharged on Day 17. On Days 1 through 14, the subjects received once daily doses of AP303 or placebo at 50μg, 150μg and 300μg for Cohorts 1, 2 and 3, respectively.

Primary endpoints included incidence and severity of AEs, laboratory, ECG, vital sign changes and PK characteristics. Secondary endpoint was the effect of food on PK characteristics.

Safety data. The safety results indicated that AP303 was safe and well tolerated in the enrolled healthy subjects.

AP303-PK-02: A Phase I clinical trial to assess the safety, tolerability, PK and PD of AP303 in healthy Chinese adult participants in China sponsored by us.

Overview. This is a randomized, double-blind, placebo-controlled, multiple-ascending-dose Phase I clinical trial to investigate the safety, tolerability, PK and PD of AP303 following 2-week oral administration in healthy Chinese participants. The primary objectives were to: (i) assess the safety and tolerability of multiple-ascending-dose of AP303 when administered orally to healthy Chinese participants, and (ii) characterize the single and multiple-ascending-dose PK of AP303 in healthy Chinese participants. The secondary objective was to evaluate the pharmacodynamic effect of multiple oral doses of AP303 in healthy Chinese participants.

Trial status. We initiated the Phase I clinical trial in March 2024 and completed the trial in May 2024, as marked by the Phase I database lock. Thereafter, we conducted clinical data analysis and finalized the clinical study report of the China Phase I clinical trial in August 2024.

Trial design. The trial enrolled 18 participants, who were randomized into one of the two dose cohorts. Each cohort included 9 participants randomized to receive AP303 and placebo at 2:1 ratio (i.e., 6 on AP303 and 3 on placebo). The starting dose of AP303 was 150 μg and 300 μg once daily for the first and second cohorts, respectively. AP303 or placebo was administered on Day 1 and Days 3 to 14 of the 14-day treatment period. Primary endpoints included incidence and severity of AEs, incidence of laboratory abnormalities, ECG, vital signs, physical examination, body weight and PK characteristics. Secondary endpoint was the change in certain blood metabolic and biochemistry parameters from baseline to end of treatment and 14±1 days after the last dose of each cohort.

Safety data. The safety results indicated that AP303 was safe and well tolerated in healthy Chinese participants. All TEAEs were mild and recovered. No SAE, severe TEAE, AESI, or TEAE leading to study discontinuation was reported in this study.

AP303-PK-03: A Phase Ib clinical trial to assess the safety, tolerability, PK and PD of AP303 in DKD patients with renal impairment in China sponsored by us.

Overview. This is a randomized, double-blind, placebo-controlled Phase Ib clinical trial to investigate the safety, tolerability, PK and PD of AP303 following 2-week oral administration in DKD patients with renal impairment. The primary objectives are to: (i) assess the safety and tolerability of multiple oral doses of AP303 in DKD patients with renal impairment, and (ii) characterize the PK of single or multiple oral doses of AP303 in DKD patients with renal impairment. The secondary objective is to evaluate the PD of multiple oral doses of AP303 in DKD patients with renal impairment.

Trial status. In preparation for the Phase Ib clinical trial, we completed the Ethics Committee submission in August 2024 and filing with the Human Genetic Resources Administration of China in November 2024. The clinical site initiation and patient screening for the trial commenced in November 2024, which led to the initiation of the trial in February 2025. We completed the trial in September 2025. The Phase Ib clinical trial was not required by the NMPA. It was conducted in DKD patients to provide information for the dosage selection of AP303 in its future, later-stage clinical trials in patients.

Trial design. The trial enrolled 18 participants, who were randomized into one of the two dose cohorts. Each cohort included 9 participants randomized to receive AP303 and placebo at 2:1 ratio (6 in the AP303 150 μg group and 3 in the placebo group). AP303 150 μg or placebo was administered orally, once daily, on Day 1 and Days 3 to 14 of the 14-day treatment period. Primary endpoints included incidence and severity of AEs, incidence of laboratory abnormalities, ECG, vital signs, physical examination, body weight and PK characteristics. Secondary endpoint was the change in certain blood metabolic and biochemistry parameters from baseline to end of treatment and 14±1 days after the last dose of each cohort.

Clinical Development Plan

A basket Phase II clinical trial targeting DKD and IgAN patients with high proteinuria, which has received IND clearance in both the U.S. and China, is expected to be initiated in the third quarter of 2026. We plan to submit IND applications for the Phase II MRCTs for both ADPKD and FSGS to the EMA and the TGA in the third quarter of 2026. A Phase II MRCT targeting ADPKD is expected to be initiated in the fourth quarter of 2026 in China, and Europe and Australia in the first quarter of 2027. Another Phase II MRCT targeting FSGS is expected to be initiated in the fourth quarter of 2026 in China, and Europe and Australia in the first quarter of 2027. The target markets of AP303 for the indications of ADPKD and FSGS are China, the U.S. and Europe.

Material Communications with Competent Authorities

We submitted to the TGA an IND application to conduct a Phase I clinical trial in Australia in November 2022. We submitted to the NMPA an IND application to conduct a Phase I clinical trial of AP303 in China in October 2023 and received the NMPA IND clearance in January 2024.

In addition, we submitted to the NMPA an IND application for a basket Phase II clinical trial of AP303 in DKD and IgAN patients with high proteinuria and for separate Phase II clinical trials in ADPKD and FSGS patients in February 2025, based on results of Phase I clinical trials of AP303 in Australia and China, and received the NMPA IND clearance in June 2025. The NMPA IND clearance covered: (i) the basket Phase II clinical trial in DKD and IgAN patients with high proteinuria; (ii) the Phase II MRCT in ADPKD patients; and (iii) the Phase II MRCT in FSGS patients. The NMPA considered the results of the completed Phase I clinical trials contained sufficient data to demonstrate the safety of AP303 to support initation of AP303's Phase II clinical trials in patients of DKD, IgAN, ADPKD and FSGS. As such, there was no exemption for clinical trials for these indications.

In a pre-IND meeting we had with the FDA in October 2024, the FDA recognized AP303-PK-01 as the first-in-human clinical study of AP303 in Australia and AP303-PK-02 as a Phase I multiple ascending dose study in China to evaluate the safety, tolerability, PK and PD of AP303 in healthy volunteers. We submitted to the FDA an IND application for a basket Phase II clinical trial of AP303 targeting DKD and IgAN patients with high proteinuria in the U.S. in January 2025, based on the results of Phase I clinical trials of AP303 in Australia and China, and received the FDA IND clearance in March 2025.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET AP303 SUCCESSFULLY.

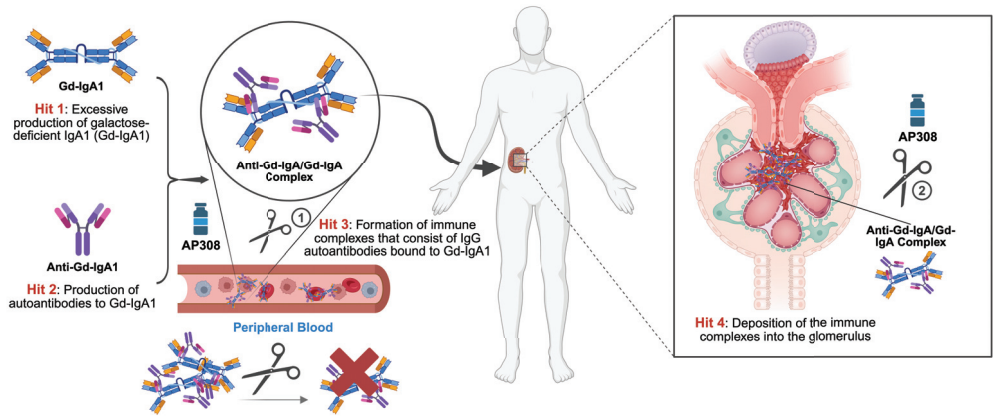
AP308: A Differentiated Engineered Recombinant IgA Protease Aiming for Functional Cure for IgAN

Overview

AP308 is an engineered recombinant IgA protease able to specifically degrade the circulating IgA and IgA complexes, as well as IgA complexes deposited in the kidney. It is developed as a potential targeted and curative therapeutic for IgAN. We hold the global rights for the development, manufacture and commercialization of AP308.

Mechanism of Action

Current treatments of IgAN, such as renin-angiotensin system ("**RAS**") inhibitors and corticosteroids, focus on symptom control and slowing progression rather than disease modification, and they do not directly target the mechanism of IgAN's pathogenesis. Compared to currently available treatment options for IgAN, AP308 is of a differentiated MOA and potentially a disease-modifying therapy. It specifically clears the circulating IgA and IgA complexes, as well as IgA complexes deposited in the kidney.



AP308 is chemically modified by a site-directed conjugation process, where a high-molecular-weight polymer, polyethylene glycol ("**PEG**"), is attached to specific sites on a protein. The PEG conjugation results in longer half-life *in vivo*, enhanced stability of the protein and lowered potential immunogenicity.

Market Opportunity and Competition

IgAN is the most common form of primary glomerulonephritis in Asia, and it is responsible for 50% of primary glomerulonephritis in China. The size of the global market for IgAN drugs reached US$2.1 billion in 2025 and is expected to reach US$11.9 billion in 2035, at a CAGR of 19.1% from 2025 to 2035. The market size for IgAN drugs in China reached RMB2.9 billion in 2025 and is expected to reach RMB11.2 billion in 2035, at a CAGR of 14.4% from 2025 to 2035. As of the Latest Practicable Date, there were six approved drugs for IgAN. As of the Latest Practicable Date, there was no IgA protease drug candidate in the clinical development stage, and AP308 was the only IgA protease that would soon enter clinical development. For more details, see "Industry Overview — Overview of IgA Nephropathy ("IgAN") Market."

Preclinical Data

Developed from an IgA protease from commensal bacteria in the GI tract, AP308 exhibited strong enzymatic activity in removing circulating IgA and IgA complexes as well as IgA deposits in pre-clinical models. The strong enzymatic activity remained after repeated dosing up to nine times. In addition, in the analysis of pooled samples from healthy donors and patients, no pre-existing anti-AP308 antibody was detected. These evidence supports AP308 as a potential IgA protease in a human use setting.

Clinical Development Plan

We expect to submit to the NMPA and the FDA an IND application for AP308 and initiate a Phase I clinical trial in the third quarter of 2026. We expect to complete the Phase I clinical trial in the second quarter of 2027.

Licenses, Rights and Obligations

We independently designed and applied site-directed PEG modification process for AP308. The original IgA protease based on which AP308 was created was developed by and licensed from the Peking University First Hospital ("**PUFH**"). In January 2022, we entered into a license agreement with the PUFH, which granted us an exclusive and irrevocable license to research, develop, and commercialize globally the IgA protease. For more details, please refer to "Business — Major Collaboration Arrangements — Collaboration Arrangement with the Peking University First Hospital." Such in-licensing of certain components for subsequent drug development is a common practice in the biopharmaceutical industry, according to CIC.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET AP308 SUCCESSFULLY.

Mircera® (AP601): A New Choice for Chinese CKD Patients with Anemia

Mircera® (methoxy polyethylene glycol-epoetin beta) is a long-acting EPO used for the treatment of anemia associated with CKD. It is the first EPO approved for once-monthly administration worldwide. Mircera® is not a biosimilar drug. As of the Latest Practicable Date, Mircera® enjoyed market exclusivity, fortified by the absence of approved biosimilars. Globally, Mircera® is a leading erythropoiesis-stimulating agent, distinguished by an effective clinical profile. In 2025, Mircera® accounted for approximately 30% share of the global renal anemia drug market, and in China, its market share was less than 5%.

Anemia, characterized by a deficiency in red blood cells or hemoglobin, is a common and serious complication of CKD. It results from impaired erythropoietin production due to kidney dysfunction. While conventional treatments include EPOs and iron supplementation, many patients, particularly those on hemodialysis or peritoneal dialysis, fail to achieve target hemoglobin ("**Hb**") levels after receiving conventional treatments. Mircera® stimulates erythropoiesis by interacting with the erythropoietin receptor on progenitor cells in the bone marrow, thereby helping the patients reach the target Hb level of 110g/L. Mircera® can maintain a stable Hb level with a favorable safety profile, and it is the first-line recommended medication by global anemia treatment guidelines. Its once-monthly dosing also improves patient adherence and treatment convenience.

Mircera® was developed by Roche Pharmaceuticals Inc. ("**Roche**"). It is marketed globally. In 2018, the NMPA granted marketing approval of Mircera® in China. In October 2023, we entered into a supply and marketing agreement with Roche, under which we shall exclusively promote Mircera® in China. For more details, please refer to "Business — Major Collaboration Arrangements — Collaboration Arrangement with Roche Holding AG." We secured inclusion of Mircera® in the 2023 NRDL of China right after obtaining the commercialization rights in China.

Other Preclinical Stage Product candidates

We are advancing the development of additional product candidates at the preclinical stage. AP304 is a product candidate targeting acute kidney injury ("**AKI**") and acute ischemic stroke ("**AIS**"). AP305 is a complement factor B inhibitor developed for the treatment of IgAN and other immune-mediated renal diseases. AP307 is a product candidate targeting membranoproliferative glomerulonephritis ("**MPGN**"), a kidney disorder where immune system defects lead to the deposition of antibodies and complement components in the kidney, causing inflammation and changes to kidney cells. We expect to file IND applications for AP304 and AP305 in 2027.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET AP304, AP305 and AP307 SUCCESSFULLY.

MAJOR COLLABORATION ARRANGEMENTS

Collaboration Arrangement with Vidasym, Inc.

AP301 was initially developed by Vidasym, which is a U.S.-based clinical-stage drug discovery and development company with a focus on CKD complications and osteoporosis. It was co-founded by Jin Tian, M.D., our co-founder and chief medical officer. Vidasym completed a Phase I clinical trial of AP301. We in-licensed the full China right and later acquired the full global rights relating to AP301 in 2018 and 2021, respectively, with no future milestone and royalty obligations from Vidasym following the close of the below transactions. We have solely conducted the Phase II and Phase III clinical trials of AP301.

In May 2018, we entered into an Assignment and License Agreement (the "**2018 Vidasym Agreement**") with Vidasym, Inc. ("**Vidasym**") regarding AP301.

- *Obligations, Responsibilities, and Intellectual Properties.* Pursuant to the 2018 Vidasym Agreement, we acquired from Vidasym its entire right, title and interest in patent applications relating to AP301 in Chinese Mainland, Hong Kong, Macau and Taiwan, as well as the inventions described therein. Also, we acquired from Vidasym (i) an exclusive license to exploit additional patents or patent applications in multiple jurisdictions, as well as know-how, of Vidasym relating to AP301, in Chinese Mainland, Hong Kong, Macau and Taiwan, and (ii) a non-exclusive license to exploit the said patents, patent applications and know-how in regions outside Chinese Mainland, Hong Kong, Macau and Taiwan.

  We shall use commercially reasonable efforts to develop and seek regulatory approvals for at least one product containing AP301 in at least one indication and in at least one regulatory jurisdiction in Chinese Mainland, Hong Kong, Macau and Taiwan. The 2018 Vidasym Agreement did not provide a joint steering committee.

- *Payments.* Vidasym shall receive from us a one-time payment of RMB150 thousand, the amount of which had been settled. No milestone payment or royalties were provided in the 2018 Vidasym Agreement. In addition, Vidasym will obtain, in a nominal value reasonably acceptable to the parties, certain equity interest of us. As of the Latest Practicable Date, we have fulfilled our payment obligations with Vidasym under the 2018 Vidasym Agreement. The total consideration of the 2018 Vidasym Agreement included the aforementioned one-time payment and equity interest to be received by Vidasym.

- *Dispute Resolution.* Any dispute or claim arising out of or in connection with the 2018 Vidasym Agreement, shall be referred to and finally resolved by arbitration administered by the Hong Kong International Arbitration Centre.

- *Termination.* Unless terminated earlier, the 2018 Vidasym Agreement shall expire on the last to occur of: (1) expiration of the last-to-expire valid claim in the patent applications assigned to us pursuant to the 2018 Vidasym Agreement relating to AP301 in Chinese Mainland, Hong Kong, Macau and Taiwan; and (2) the expiration of, on a product-by-product and jurisdiction-by-jurisdiction basis, any exclusive marketing rights or data exclusivity rights conferred by any regulatory authority with respect to any product containing AP301 in a jurisdiction within Chinese Mainland, Hong Kong, Macau and Taiwan. We may terminate without cause upon prior written notice to Vidasym or if the assigned patent titles are acquired by a government authority, while either party may terminate for the other party's material breach or bankruptcy.

In connection with the 2018 Vidasym Agreement, Shanghai Alebund shall issue certain equity interest equivalent to the parties involved, including Vidasym. Accordingly, in 2018, Shanghai Alebund issued 37.5% of its equity stake to Vidasym. This percentage was set at arm's length among our founder, investors, and Vidasym, reflecting AP301's market potential in Greater China. The

ratio was fixed in the joint venture agreement in connection with the establishment of Shanghai Alebund, not as part of the 2018 Vidasym Agreement. When such issuance of equity interest occurred, the key business activity of Shanghai Alebund was to conduct R&D of AP301 and serve as the IP holding company for AP301 in China. The aforementioned one-time payment and equity interest received by Vidasym in connection with the 2018 Vidasym Agreement were based on our evaluation of the market value of the Greater China rights of AP301 at the time of the transaction as well as the valuation of Shanghai Alebund based on consensus between external investors and us. For details, see "History, Development and Corporate Structure — Corporate Development and Major Shareholding Change — (1) Establishment and Historical Corporate Reorganization" and "History, Development and Corporate Structure — Pre-[**REDACTED**] Investments."

In November 2019, we entered into an Equity Transfer Agreement (the "**2019 Vidasym Agreement**") with Vidasym. Pursuant to the 2019 Vidasym Agreement, Vidasym: (i) sold 37.5% of the equity interests it held in Shanghai Alebund to a wholly-owned subsidiary of Alebund Cayman and (ii) granted us an exclusive option to acquire Vidasym's global rights in the intellectual property regarding AP301, in exchange for our payment of a low single-digit millions of U.S. dollars with the intention to realize immediate economic benefits. The pricing was based on our evaluation of the market value of the Greater China rights of AP301 as well as the post-money valuation of Shanghai Alebund after the May 2018 Investment. Such low single-digit millions of U.S. dollars were paid in full and as of the Latest Practicable Date, there was no outstanding payment obligations under the 2019 Vidasym Agreement. Following the execution of the 2019 Vidasym Agreement, Vidasym was no longer our shareholder. In September 2020, we entered into an Amendment to Equity Transfer Agreement, pursuant to which the end date of exercising the exclusive option was amended to June 30, 2022.

In June 2021, we entered into an Assignment Agreement (the "**2021 Vidasym Agreement**") with Vidasym regarding AP301, as an exercise of the exclusive option granted to us in the Equity Transfer Agreement in November 2019. Pursuant to the 2021 Vidasym Agreement, we acquired from Vidasym the full global rights regarding AP301, in exchange for our payment of low double-digit millions of U.S. dollars, which had been fully paid.

Pursuant to the JV Agreements, the 2018 Vidasym Agreement, the 2019 Vidasym Agreement and the 2021 Vidasym Agreement, collectively, Vidasym has undertaken, among other things, that it shall not, directly or indirectly, engage in any development or commercialization activities in the field of phosphate binders globally, and has further committed to cease exercising any rights, and refrain from any activities that would challenge or adversely affect the Group's exclusive exploitation of the assigned phosphate binder technology and intellectual property. Such non-competition undertakings shall remain in effect throughout the term of the agreements, which extends until the later of the expiration of the last-to-expire licensed patent rights or the expiration of any regulatory exclusivity rights globally.

Vidasym had not been involved in and will not further contribute to the clinical development and indication expansion of AP301 beyond the completed Phase I clinical trial (VDKDL001). Vidasym does not retain any right to, nor does there exist any, revenue-sharing arrangement for AP301 after the 2021 Vidasym Agreement and going forward. For details on non-competition undertakings of Vidasym, see "History, Development and Corporate Structure — Corporate Development and Major Shareholding Changes — (1) Establishment and historical corporate reorganization."

There were no outstanding payments or other obligations under the entire collaboration arrangement between Vidasym and us as of the Latest Practicable Date.

Collaboration Arrangement with Chugai Pharmaceutical Co., Ltd.

Chugai Agreement

In July 2021, we entered into an option and license agreement (the "**Chugai Agreement**") with Chugai Pharmaceutical Co., Ltd. ("**Chugai**") regarding AP306. Founded in 1925, Chugai is one of Japan's leading research-based pharmaceutical companies. Chugai, based in Tokyo, specializes in prescription pharmaceuticals and is listed on the Tokyo Prime Stock Exchange (TSE: 4519). We obtained the global development and commercialization rights for AP306.

Obligations and Responsibilities

Under the Chugai Agreement, Chugai granted us an option to acquire a global exclusive sublicensable license to develop, manufacture, and commercialize AP306. Also, Chugai allowed us to conduct an early-stage efficacy clinical trial to further evaluate AP306. If we exercise the option, Chugai shall grant us an exclusive license to develop, manufacture, and commercialize AP306 for all indications worldwide. In October 2023, we exercised the option, and we now own the global development and commercialization rights for AP306.

After our exercise of the option under the Chugai Agreement, Chugai shall grant to us an exclusive license for all patents and know-how that are controlled by Chugai and necessary or useful to exploit AP306, for us to exploit AP306 globally. The Chugai Agreement did not limit such patents and know-how to a specified group of patents or know-how. After our exercise of the option under the Chugai Agreement, we shall have the sole responsibility and control, at our sole costs and expense, for all development and commercialization activities for AP306.

In addition, the parties shall establish a joint steering committee of four committee members, consisting of two senior representatives designated by each party. The purpose of the joint steering committee is to address and oversee the development, registration and commercialization activities, as well as any other issue, in connection with the Chugai Agreement.

Intellectual Property

Chugai retains ownership of the patents relating to AP306 prior to execution of the Chugai Agreement. We shall own all data, inventions, discoveries and know-how, whether patentable or not, and any intellectual property rights thereof, acquired or developed by us upon or after our exercise of the option under the Chugai Agreement.

Payments

Chugai shall receive from us an upfront payment of a middle single-digit hundred thousand of U.S. dollars upon executing the Chugai Agreement. In addition, if we exercise the option under the Chugai Agreement, Chugai shall receive from us an upfront license payment of a low double-digit million of U.S. dollars as well as milestone payments up to a low single-digit hundreds of millions of U.S. dollars based on achievement of certain predetermined milestones relating to regulatory approval and commercial sales, and royalty payment of a middle single-digit to teens percentage of annual net sales of AP306 after its expected launch.

Dispute Resolution

The parties shall negotiate in good faith to settle the disputes in connection with the Chugai Agreement. Any dispute shall be referred to senior management of each party for attempted resolution. In the event senior management are unable to resolve the dispute, the dispute shall be settled by arbitration administered by the Singapore International Arbitration Centre.

Termination Clause

Unless terminated earlier, the Chugai Agreement shall continue in full force and effect until the expiration of the royalty term for AP306 under the Chugai Agreement. The royalty term for AP306 will expire in a country upon the latter of: (a) expiration of the last-to-expire patent that has a valid claim covering AP306 in the country and (b) the tenth anniversary of the first commercial sale of AP306 in the country.

Collaboration Arrangement with Roche Holding AG

Roche Agreement

In October 2023, we entered into a supply and marketing agreement (the "**Roche Agreement**") with Roche Hong Kong, Ltd. ("**Roche**," a subsidiary of Roche Holding AG) regarding Mircera®. Founded in 1896 in Switzerland, Roche Holding AG is a world leading biotechnology company and a global leader in *in-vitro* diagnostics.

Obligations and Responsibilities

The Roche Agreement granted us an exclusive license to sell, distribute or otherwise commercialize Mircera® in China (not including Hong Kong, Macau and Taiwan). Roche shall supply Mircera® to us pursuant to an annual purchase schedule and price terms provided in the Roche Agreement. Roche shall obtain and maintain the drug registration certificate and its appendices of Mircera® in China at its own expense. We shall obtain and maintain all permits and registrations required for the marketing and promotion of Mircera® in China at our own expense. The Roche Agreement did not provide a joint steering committee.

Intellectual Property

The Roche Agreement did not provide for any transfer or concession of intellectual property rights relating to Mircera® between Roche and us.

Payments

Roche shall receive from us an upfront payment of a middle single-digit millions of RMB, as well as milestone payments up to a low double-digit millions of RMB based on achievement of certain predetermined milestones relating to NRDL and commercial sales.

Dispute Resolution

The parties shall amicably settle any controversy or claim relating to the Roche Agreement. For any controversy or claim relating to supply of Mircera® that cannot be amicably settled, either party shall submit such controversy or claim to Hong Kong International Arbitration Center. For any controversy or claim relating to promotion of Mircera® that cannot be amicably settled, either party shall submit such controversy or claim to Shanghai International Arbitration Center.

Termination Clause

The Roche Agreement shall remain in force for ten years, unless terminated earlier, and shall be automatically renewed for another five-year period, unless either party notices the other party in writing of its intent not to renew in advance. Roche may terminate the Roche Agreement without cause. Each party may also terminate the Roche Agreement upon a material breach by the other party, the dissolution, liquidation, or bankruptcy of the other party, or inability to sell Mircera® legally in China due to reasons not attributable to any party's fault.

Collaboration Arrangement with the Peking University First Hospital

PUFH Agreement

In January 2022, we entered into a license agreement (the "**PUFH Agreement**") with PUFH to discover, develop, manufacture and commercialize an IgA protease. Founded in 1915, PUFH is a large comprehensive Grade 3A hospital in China, integrating medical services with teaching and research.

Obligations and Responsibilities

Under the PUFH Agreement, PUFH granted us an exclusive and irrevocable license to research, develop, and commercialize an IgA protease globally, with the right to grant sublicenses. In addition, we commissioned PUFH to perform non-clinical studies regarding the medical application of the licensed IgA protease. Under the PUTH Agreement, we shall, at our own decision and cost, be responsible for the IND application, clinical research, regulatory activities, manufacture, sales and promotion relating to the IgA protease. We shall own the IND approval, marketing authorization, trademark and promotion materials relating to the IgA protease.

Intellectual Property

PUFH retains ownership of the patents filed prior to execution of the PUFH Agreement. Any intellectual property, including patents and know-how, developed by PUFH under the said commissioned studies regarding the licensed IgA protease shall be jointly owned by the parties.

Payments

PUFH shall receive from us an upfront payment of a low single-digit millions of RMB. PUFH also shall receive from us development milestone payments up to a low single-digit hundreds of millions of RMB based on achievement of certain predetermined milestones relating to clinical trial progress and commercial launch, as well as commercial milestones payments up to a low single-digit hundreds of millions of RMB based on the annual net sales amount of the product incorporating the licensed IgA protease after the commercial launch. In addition, PUFH shall receive from us royalty payment of a low single-digit percentage of annual net sales of the product incorporating the licensed IgA protease after the commercial launch.

Dispute Resolution

The parties shall strive to resolve the disputes arising from the PUFH Agreement. In the event the parties are unable to resolve the dispute, the dispute shall be resolved by arbitration administered by the China International Economic and Trade Arbitration Commission in Beijing.

Termination Clause

Unless terminated earlier, the PUFH Agreement shall continue in effect until the last to occur of, on a country-to-country basis: (1) expiration of the last-to-expire valid claim of the patents covering the sequence of the licensed IgA protease in that country; and (2) ten years from the first commercial sale of the product incorporating the licensed IgA protease in that country. We may terminate the PUFH Agreement if research, development, or commercialization of the licensed IgA protease or the product incorporating the same constitutes an infringement of a third party's patents, such that the product incorporating the same no longer has commercial viability. Each party may also terminate the PUFH Agreement upon occurrence of one of the following events: (1) the other party's material breach of the PUFH Agreement, and (2) bankruptcy of the other party.

Chugai, Roche and PUFH are Independent Third Parties.

Collaboration Arrangement with R1 Therapeutics

R1 Agreement

In December 2025, we entered into a collaboration and license agreement (the "**R1 Agreement**") with R1 Therapeutics, Inc., a corporation organized and existing under the laws of State of Delaware with respect to AP306. R1 Therapeutics, Inc. ("**R1**") is a newly established biotechnology company backed by major global dialysis service providers and a syndicate of leading global life sciences investors. R1 focuses on the research, development, and commercialization of innovative biopharmaceutical products for the treatment of kidney diseases and related complications and other chronic conditions.

In connection with the R1 Agreement, we entered into common stock issuance agreements with R1 in December 2025, pursuant to which we received certain class B common shares. R1 also entered into stock purchase agreement with certain investors in connection with its financing in December 2025 and February 2026, pursuant to which certain investors received Series A preferred shares. Upon closing of these agreements, we held a significant equity stake (minority stake), with anti-dilution protection mechanisms designed to maintain such percentage ownership.

We selected R1 as our partner based on the following considerations: (i) R1's dedicated strategic focus on renal diseases; (ii) the strategic industrial backing from well known global life science investors which provides valuable commercial insights and market access capabilities; (iii) R1's financial position secured through R1's subsequent financing to support the Phase IIb MRCT and subsequent development of AP306; and (iv) the deal structure which allows us to retain an equity interest in R1 and be entitled to receive dividends declared by R1 in proportion to the Company's equity interest, thereby capturing the long-term upside of AP306's global success. Other than AP306, R1 currently does not hold other products in development in its pipelines. In addition, R1 does not acquire the ownership of any existing AP306-related patent through the R1 Agreement.

Obligations and Responsibilities

We granted R1 an exclusive license to develop, manufacture, and commercialize AP306 in the territory outside Chinese Mainland, Hong Kong, Macau and Taiwan (the "R1 Territory"), while we retain full rights and control over the asset in our core market of Greater China. R1 assumes the primary financial responsibility for the global clinical development of AP306 in the R1 Territory. Specifically, for the planned MRCTs of AP306, R1 has agreed to bear the majority of the total trial costs as the U.S. arm of the trial will be conducted by R1. Accordingly, we and R1 will each conduct the Phase IIb MRCT and the subsequent Phase III clinical trial for AP306 in their respective territories, with we responsible for Greater China and R1 responsible for R1 Territory. R1 and we will act as co-sponsors, and each is responsible for clinical trial execution and regulatory submissions in its respective territory, while providing the other party with relevant data and necessary support for regulatory purposes. This structure allows us to leverage R1's capital to fund the global data generation required for our own China regulatory filings, reducing our R&D burn rate while retaining full upside in our home market. Pursuant to the R1 Agreement, R1 owned and controlled the full rights specified under the R1 Agreement with respect to AP306 in R1 territory.

R1 assumes and directly bears the financial obligations owed to our upstream licensor, Chugai, related to the R1 Territory. This includes the responsibility for the tiered royalties and the commercial milestone payments payable to Chugai, thereby removing these financial liabilities from our balance sheet for the R1 Territory. R1 also assumes responsibility for all regulatory activities and filings in the R1 Territory. We are only obligated to provide necessary technical transfer and existing regulatory materials, primarily data, information and regulatory communications regarding registrational clinical trial conducted (primarily involving clinical data and information derived from registrational clinical trials conducted as well as material communications with relevant authorities), to enable R1's activities, thereby minimizing our operational burden for overseas markets.

In addition, the parties shall establish a joint steering committee to coordinate and discuss the development and commercialization of AP306 by each party. The joint steering committee will be composed of an equal number of representatives from each party and a minimum of three representatives of each party. A representative of R1 and a representative of us will co-chair the joint steering committee. The joint steering committee will make decisions as to matters within its jurisdictions unanimously. If the joint steering committee is unable to resolve any matter unanimously, then (a) if such matter is solely related to matters in Chinese Mainland, Hong Kong, Macau and Taiwan, such matters shall be finally decided by us, and (b) all other matters shall be finally decided by R1, subject to certain restrictions.

Development Technology Transfer and Assistance

We will deliver our know-hows, mainly clinical and regulatory materials shared by Chugai under the Chugai agreement as well as those developed by us in relation to Phase II clincial trial in China and Phase IIb MRCT in China and the United States, to R1, and thereafter, each calendar quarter during the term, both parties will exchange any additional know-hows, with translations into English as needed and reasonable technical assistance provided at cost. To the extent permitted by applicable laws, we will also transfer and assign regulatory materials obtained from authorities in the R1 Territory to R1.

Intellectual Property

R1 will solely own all rights, title and interests in and to all know-hows developed, conceived or reduced to practice during the term of the R1 Agreement solely by or on behalf of R1 or any of R1's affiliates' or sublicensees' (excluding us and certain preferred shareholders) employees, independent contractors, or consultants, in the course of conducting activities under the R1 Agreement, and any related patent rights. Subject to the exclusive licenses granted under the R1 Agreements, we will solely own all rights, title and interests in and to all know-how developed, conceived, or reduced to practice during the term solely by or on behalf of us or any of our affiliates or licensees' (other than R1) employees, independent contractors, or consultants, in the course of conducting activities under the R1 Agreement and any related patent rights.

Financial Consideration

Concurrently with the execution of R1 Agreement, R1 issued class B common shares to us as non-cash consideration. We hold minority equity interest in R1 and our equity stake in R1 contains anti-dilution protection mechanisms designed to maintain our percentage ownership at a specified level through subsequent financing rounds.

We are eligible to receive from R1 up to low triple-digit millions of U.S. dollars in total. Under the R1 Agreement, we have transferred to R1 all payment obligations owed to Chugai specified in the Chugai Agreement in respect of the R1 Territory, including certain development, sales and commercial milestone payments and royalty payments (together, the "Pass-through Payments"). R1 can elect to pay Pass-through Payments either through us or directly to Chugai. For details on payment to Chugai, see "— Collaboration Arrangement with Chugai Pharmaceutical Co., Ltd." In addition to class B common shares received and Pass-through Payments, we can further

share the economics of AP306's global success through tiered royalty payment linked to annual net sales of AP306 after its expected launch, ranging from 1% to 4% depending on the amount of annual net sales exceeding US$1.0 billion. As of the Latest Practicable Date, other than the class B common shares received as described above no conditions for the milestone and royalty payments had been reached and we had not received any such milestone or royalty payments from R1.

Dispute Resolution

The parties shall negotiate in good faith to settle disputes in connection with the R1 Agreement. Any dispute shall be referred to senior management of each party for attempted resolution. If senior management are unable to resolve the dispute, the dispute shall be settled by arbitration administered by the International Centre for Dispute Resolution in New York City.

Termination

Unless terminated earlier due to material breach, insolvency, patent challenge, cessation of activities or failure to fund, the R1 Agreement shall continue in full force and effect until the expiration of the royalty term (royalties for AP306 are payable on a product-by-product and country-by-country basis until the latest of the expiration of the last-to-expire licensed patent claim, the expiration of all regulatory exclusivity of AP306, or the tenth anniversary of first commercial sale) for AP306 under the R1 Agreement.

Notwithstanding that AP306 has demonstrated a higher serum phosphorus control rate than AP301, we believe that the out-licensing arrangement with R1 is in the commercial interests of the Group, having considered the following:

- *Scope of the arrangement is limited*. The out-licensing arrangement covers rights to AP306 in regions outside Greater China only. We have retained all rights to develop, manufacture and commercialize AP306 within Greater China and continue to advance AP306 in China on a self-led basis;

- *Differentiated development stage*. AP306 development remains at a relatively earlier stage of development than our Core Product AP301, and is accordingly subject to a comparatively higher level of clinical, regulatory and commercialization uncertainty. AP301, by contrast, is at a more advanced clinical stage with greater visibility as to its regulatory pathway and commercialization prospects;

- *Capital intensity and resource allocation*. Conducting MRCTs and building commercialization infrastructure outside Greater China for AP306 would require substantial capital commitment and management resources. As a company with finite financial and operational resources, we considered it commercially prudent to leverage the overseas development and commercialization resources, experience and network of a partner for the ex-Greater China territories of AP306, while concentrating our in-house resources on AP301; and

- *Differentiated commercialization strategy for AP301*. We have not adopted an out-licensing model for AP301 because AP301 is clinically more advanced and certain and we believe we have a clearer path to maximize its value through self-led commercialization in China and a CSO-supported commercialization model in the U.S., rather than through an early-stage outlicensing arrangement.

As of the Latest Practicable Date, we, as the single largest shareholder of R1 on a legal-entity basis, hold 21.25% interest on a fully diluted basis. The other shareholders of R1 are independent third parties to us. We have certain special rights, including, among others, anti-dilution protection, information rights and the right to appoint certain directors jointly with other common shareholders and preferred shareholders, none of which conferred unilateral control over R1 Therapeutics. Furthermore, the holders of Series A preferred shares, when viewed as a shareholder class in aggregate, held a significantly larger aggregate equity interest and voting power than us and were

able, through their class rights, including the right to designate a majority of the board seats, to exercise substantial influence over the governance and management of R1. Furthermore, we only hold veto rights with respect to one director and cannot unilaterally appoint any director. As a result, R1 is accounted for as an associate rather than a subsidiary because we do not control R1 and do not have unilateral power to direct its relevant activities or its financial and operating policies, especially given other major shareholders have comparable amount of equity interests in R1.

Following the closing of R1's Series A financing in February 2026, we are contractually entitled to require R1 to issue additional Class B common stocks to us at nil consideration. We exercised this anti-dilution rights, thereby maintaining our 21.25% fully diluted interest in R1. Notwithstanding that R1 is expected to remain loss-making in the near term, which we consider typical of early-stage biotechnology companies, we determined to exercise the right in order to (i) preserve our long-term economic interest in the ex-Greater China commercialization of AP306, (ii) retain participation in potential equity value in R1, and (iii) avoid dilution at the current round which would likely be more costly to restore in subsequent financing rounds at higher valuations.

RESEARCH AND DEVELOPMENT

We have built our research and development ("**R&D**") capabilities as the core of our mission to contribute to renal therapeutics and serve the needs of renal patients globally. Integrating deep insights into renal disease biology, we serve varied clinical needs and enable the building of a pipeline targeting salient needs in CKD and its complications, prioritizing differentiated and effective therapeutics. Our R&D team comprises seasoned scientists with decades of experience from leading global pharmaceutical companies and regulatory bodies, driving innovations across small molecules, biologics, and enhancing our capabilities. Our entire R&D philosophy, led by our chief medical officer, Jin Tian, M.D., chief technology officer, Dr. Shu Chutian, and our chief scientific officer, Dr. Shen Xiao, is therefore anchored in addressing pressing needs of patients and their nephrologists.

R&D Team

Our in-house R&D team consisted of 61 employees as of the Latest Practicable Date, with 72.1% members of our R&D team holding master's or PhD degrees, including 14.8% members with doctorate degrees. Our core R&D personnel consists of three members who have been working in the pharmaceutical industry for an average of over 20 years with substantial expertise in preclinical and clinical development. During the Track Record Period and up to the Latest Practicable Date, we had 46 R&D personnel involved in the development of our Core Product and 15 R&D personnel responsible for the development of our other product candidates. As of the Latest Practicable Date, 95.7% of our R&D personnel involved in the development of the Core Product as of June 12, 2025 remain employed by us. The following table sets forth a breakdown of the number of R&D team by function as of December 31, 2025:

Functions	Number of employees by function	Employees responsible for the development of AP301	Employees responsible for the development of other technological capabilities
Drug Discovery and CMC Development	28	18	10
Pre-clinical Development and Regulatory	15	7	8
Clinical Development	19	18	1
Portfolio Management and Quality	4	4	0
Total	**66**	**47**	**19**

The following table sets forth the identities, positions, expertise of our core R&D personnel.

Identity	Position	Expertise	Involvement and contributions to the R&D activities	Date of joining our Group
Jin Tian, M.D.. . .	Chief medical officer and co-founder	Board-certified physician in internal medicine and nephrologist, with 15 years' experience in academic and clinical practice and over 20 years' experience in the biopharmaceutical industry	Establish clinical-stage program portfolio, conduct communications with regulatory authorities, and implement clinical trials. Lead scientific evaluation of in-licensed products.	April 2018
Dr. Shu Chutian .	Chief technology officer	Substantial manufacturing expertise based on over 15 years' CMC experience in the biopharmaceutical industry	Refine the CMC aspects of our pipeline products to advance drug development, optimize cost and ensure consistent quality.	July 2019
Dr. Shen Xiao . . .	Chief scientific officer	In-depth regulatory insight based on over 20 years' experience with FDA	Lead preclinical strategy design, target discovery, evaluation and global development. Before his full-time employment, Dr. Xiao acted as our key advisor, drawing on his deep expertise gained from his tenure at the FDA to formulate the regulatory road map for AP301. Upon joining us, he immediately took charge of executing our global strategy, leading constructive dialogues with the FDA and other authorities for AP301 and other early-stage product candidates.	April 2025

Scientific Advisory Board

There are 6 members in our scientific advisory board, all of whom are nephrologists holding more than 30 years' practical experience in nephrology clinics. They led or co-led major clinical studies in the renal space, such as clinical studies related to CKD, DKD, IgAN, polycystic kidney disease, FSGS and Alport Syndrome. Their major contribution includes but is not limited to: (1) advocating "reduction level of proteinuria" as a surrogate endpoint for IgAN/FSGS in series discussions with the FDA and other authorities; (2) leading KDIGO guideline updates in CKD-MBD, glomerular diseases, DKD, etc.; (3) guiding global research network and/or patient advocate groups for kidney diseases such as, among others, IgAN, ADPKD and FSGS.

For the years ended December 31, 2024 and 2025, we recorded research and development expenses of RMB235.4 million and RMB372.6 million, respectively, with research and development expenses of RMB139.8 million and RMB205.6 million attributable to our Core Product, respectively, representing 59.4% and 55.2% of our R&D expenses. We anticipate continuing to make significant investments in our R&D efforts, since we plan to expand the indications and continue the clinical development of our product candidates, advance more pipeline candidates along clinical trials and conduct additional preclinical studies.

The following table sets forth a breakdown of our research and development expenses by Core Product and other product candidates, in an absolute amount and as a percentage of our total research and development expenses, for the years indicated.

	For the Year Ended December 31,			
	2024		2025	
	RMB	*%*	*RMB*	*%*
	(RMB in thousands, except for percentages)			
Core Product	**139,800**	**59.4**	**205,600**	**55.2**
Other product candidates	**95,567**	**40.6**	**166,974**	**44.8**
AP303	30,205	12.8	38,568	10.4
AP304	1,177	0.5	1,238	0.3
AP305	4,631	2.0	1,618	0.4
AP306	39,450	16.8	58,016	15.6
AP308	20,104	8.5	67,529	18.1
Others	0	0.0	4	0.0
Total	**235,367**	**100.0**	**372,574**	**100.0**

Drug Discovery and CMC Development

Our drug discovery work is led by Dr. Shu Chutian (our chief technology officer) and Dr. Shen Xiao (our chief scientific officer). In early discovery and development, we leverage our R&D expertise alongside growing collaborative interest from leading research institutions to foster innovation and expand our renal disease portfolios.

Our CMC team consists of professionals with extensive experience in process development, manufacturing and quality management from well-known biopharmaceutical and pharmaceutical companies. Our CMC team members have on average approximately 12 years' of experience. Our CMC team is responsible for develop, scale up, and characterize the manufacturing process to support pre-clinical and clinical studies and future commercial use. It is also responsible for preparing pharmaceutical related regulatory files and interactions with the health authorities on the related subjects.

Clinical Development

Clinical Development Team

Our clinical development team is led by Jin Tian, M.D., our co-founder and chief medical officer. As of December 31, 2025, our clinical development team consisted of 19 members, including professionals with strong drug development experience, who participate in clinical development strategy development, clinical trial protocol design, clinical trial operation organization, drug safety monitoring, and clinical trial quality control.

Further, we have established a scientific advisery board which brings unparalleled influence across CKD indications and complications, and the global standards that guide clinical and regulatory development. Collectively, they lead and author cornerstone guidelines (including KDIGO CKD-MBD), shape the FDA and other regulatory policy (persuading the FDA to use proteinuria as a surrogate endpoint in IgAN), and have designed and executed landmark trials across DKD, IgAN, ADPKD and other CKD. They sit on steering committees of major international trials and research organizations, review and edit for top journals such as NEJM, JAMA, JASN, and AJKD, and advise leading nephrology societies and foundations, providing invaluable and substantive input to ensure our portfolio aligns with the most current academic discovery and policy frameworks.

Clinical Trial Design and Implementation

Our clinical development team manages all stages of clinical trials, from protocol design to overseeing the operations and conduct of clinical trials. Our clinical development team is also responsible for the selection of trial sites. Our site selection criteria include the site's overall experience, understanding of the disease state, access to relevant experts and patients, geographical coverage, regulatory and quality management, range of services, staff proficiency, and technology. We have collaborated with numerous hospitals and PIs that can support our clinical trials of different indications, at different stages and in different jurisdictions. To the best of our knowledge, none of our collaborating PIs have any past or present relationships with our Group, our Directors, Shareholders, senior management or any of their respective associates. The PIs are responsible for conducting site-level clinical research activities according to our trial protocols and in accordance with laws, regulations, and the GCP guideline, a quality standard for the overall conduct of the clinical trial. Each trial has a leading PI with primary responsibility to ensure compliance with trial protocol and GCP over the entire trial.

Relationship with CROs

During the Track Record Period, we engaged 79 and 89 CROs in the years ended December 31, 2024 and 2025, respectively. All of our top five major CROs engaged in each year during the Track Record Period are Independent Third Parties. We engaged CROs to support our clinical trials in line with the industry norm. We select CROs based on qualifications, experiences, industry reputation, adequacy of clinical trial equipment and data management capability. Our clinical development team closely supervises and monitors the performance of CROs to ensure they conduct clinical trials in accordance with our protocols and GCP requirements. CROs are typically responsible for facilitating the selection of investigators, locating trial sites, local vendors, making local regulatory filings with our review and approvals, purchasing equipment and materials, engaging other third parties to further facilitate the clinical trials, enrolling qualifying trial participants, routine trial site monitoring, and trial data management and analysis.

Regulatory Affairs

Our regulatory affairs team is responsible for the regulatory process of our product candidates, including assembling application dossiers for IND and NDA, addressing inquiries from relevant authorities and monitoring our R&D projects to ensure their compliance with relevant regulations. Our regulatory affairs team manages the regulatory submission process in China, the U.S., Australia and other regions where we may conduct clinical development. We consistently initiate early and constructive dialogues with regulatory authorities, which has significantly accelerated our pipeline progression. For AP301, our discussions with the FDA secured a single clearance for a multi-regional Phase III clinical trial that included the U.S. and China. For AP306, our communications with the NMPA led to the receipt of BTD for the treatment of hyperphosphatemia in patients with CKD that enables expedited regulatory review of AP306. For AP303, our communications with the FDA led to the receipt of ODD for the ADPKD indication.

MANUFACTURING

As of December 31, 2025, our manufacturing team consisted of 28 members. We have completed the construction of an in-house manufacturing facility in Yangzhou, China, which has completed the pilot manufacturing with commercial operation expected half a year after the commercial launch of AP301, subject to final regulatory approval of AP301. As of the Latest Practicable Date, the manufacturing facility was in the phase of pilot-scale production and scale-up preparation. It is expected to commence operation in the fourth quarter of 2028. The designed annual capacity of AP301 will reach over 200 metric tons at full operation, equivalent to approximately 285.7 million capsules of AP301, assuming a 700 mg per capsule. The manufacturing facility has been designed, constructed and operated in accordance with PRC GMP requirements

and international cGMP standards, and we have obtained a Drug Manufacturing License (Category B) issued by the Jiangsu Provincial Drug Administration. It is expected to support the commercial-scale production of both drug substance and drug product for our product candidates such as AP301 and AP306.

For manufacturing of AP301 and our other product candidates for preclinical and clinical study, we outsourced all manufacturing activities to a number of CDMOs during the Track Record Period. Under our oversight, we did not experience any material product quality issues in respect of the products manufactured by our CDMO partners during the Track Record Period. Under our agreement with our CDMO partners, the CDMO partners are required to perform their services according to the prescribed time frame as set out in the agreement. Usually, we pay the CDMO partners in installments, with a specified credit period. Our CDMO partners are responsible for manufacturing our required products in accordance with certain product specifications, in compliance with cGMP requirements (where applicable), our quality standards and other applicable laws and regulations. We retain all the intellectual property rights and grant our CDMO partners the right to use our intellectual propertyrights for such manufacturing and packaging activities during the contract period. We are entitled to inspect and audit our CDMO partner's manufacturing process. We mainly determine the service fees paid to the CDMOs in accordance with market prices of similar services, the number of products manufactured, and the quality and contents of the services provided. We do not share our IPs, know-how and trade secrets with CDMOs.

COMMERCIALIZATION, MARKETING AND BUSINESS DEVELOPMENT

We plan to build our commercialization capabilities through a combination of an in-house sales team for China and strategic external partnerships with industry leading players tailored for global markets, in particular, the U.S., respectively.

We have assembled a renal specialized in-house sales team with 43 members led by Mr. Feng Jun, our head of commercialization, as of the Latest Practicable Date. Mr. Feng Jun has over 25 years of experience in the biopharmaceutical industry, with extensive experiences in sales management roles. Currently, our sales team is focused on promoting the sales of Mircera® in China. We plan to expand the team to support the expected commercialization of AP301 and other product candidates. We expect that our future market access team will engage in negotiations regarding insurance and pricing and seek to include our approved products in the NRDL.

For commercialization in overseas markets, we actively pursue diversified global business development opportunities, to maximize the commercial potential and improve the development efficiency of our product candidates. Our business development efforts are led by Dr. Gavin Xia, our chief executive officer and co-founder. Going forward, we will proactively explore commercialization opportunities through a range of partnership models, including forming associates with qualified business partners leveraging their local know-how and insight, engaging CSO for oversea commercialization efforts, and exploring other out-licensing arrangements. We will select potential collaborators based on the brand awareness of the potential collaborators, their R&D capabilities and/or commercialization networks, the track records of successfully developing and/or commercializing pharmaceutical products, where applicable. We will also seek such potential collaborators with pipelines, R&D and commercialization capabilities, as well as monetary resources that could bring potential synergies to us and our pipelines.

Pricing

As of the Latest Practicable Date, we generated revenue from one commercialized product in the market, Mircera®. We sell Mircera® to a third-party distributor in China, who is our direct customer and responsible for subsequently delivering our products to hospitals, medical institutions and pharmacies, where we are responsible for sales efforts.

As for our other product candidates, only AP301 is in late clinical development stage with NDA submission to NMPA (based on the result of China registrational Phase III trial) expected in June 2026 and to FDA (based on the result of Phase III MRCT in China and the U.S.) expected in the third quarter of 2027.

AP301 Commercialization Strategy

With respect to commercialization strategy in China, we will submit NDA for AP301 in June 2026 and subject to timely regulatory approval, expect to commercially launch AP301 in China in 2028. We plan to commercialize AP301 in China through our own in-house sales and marketing team. We believe this approach is appropriate given the concentration of AP301's target patient population in public hospitals in China and our connection and network established during commercialization of Mircera®.

With respect to commercialization strategy outside China, we currently prioritize the U.S. as the principal overseas market for AP301. Subject to timely completion of the Phase III MRCT and regulatory approval by the FDA, we currently expect to commercially launch AP301 in the U.S. in 2029. We intend to collaborate with contract sales organizations, or CSOs, in the U.S. to maximize the commercial value of AP301. As of the Latest Practicable Date, we had neither entered into any definitive agreement nor identified any business partner for commercialization of AP301 outside China.

In China, we expect to include AP301 in NRDL and base the price of AP301 by considering the historical pricing of other iron-based phosphate binders as well as efficacy and safety premium for AP301. In the U.S., we expect to include AP301 in TDAPA and base the price of AP301 on the historical pricing of other innovative product such as iron-based phosphate binder prevalent in the U.S. market, plus a efficacy and safety premium as well.

We expect to gain market penetration and adoption of AP301 by leveraging our outstanding safety and efficacy profiles, and convenience of use. We will actively engage in pricing and reimbursement evaluations, aiming to secure favorable market placement through national insurance negotiations. In particular, in China, AP301 is expected to benefit from the supportive pricing framework for innovative drugs under the Several Opinions of the General Office of the State Council on Improving the Drug Pricing Mechanism (Guo Ban Fa [2026] No. 9)(《國務院辦公廳關於健全藥品價格形成機制的若干意見》(國辦發[2026]9號)). The policy supports innovative drugs with significant clinical value in setting launch prices that reflect their R&D investment, development risk and clinical value, while clarifying that volume-based procurement ("VBP") should primarily target drugs with multiple suppliers and sufficient market competition. As AP301 is expected to be launched as an innovative therapy rather than a mature multi-source generic product, it may face less immediate VBP-driven price pressure at the early commercialization stage, thereby supporting its hospital access, physician adoption and patient uptake in China, subject to regulatory approval, reimbursement progress and actual clinical positioning. Reimbursement treatment is a key factor affecting provider adoption of dialysis-related drugs in the U.S. We seek to include AP301, once approved by the FDA for marketing, in the TDAPA. TDAPA is a temporary additional reimbursement the U.S. Centers for Medicare & Medicaid Services ("CMS") designed to offset the cost of adopting therapies like AP301 during the initial launch period. After the temporary TDAPA period ends for AP301, we expect to adjust the pricing of AP301 based on its clinical usage and impact in response to its entry into the bundle payment to minimize the potential of hospitals and patients switching to alternatives. Without negative financial impact, dialysis providers would more easily make a decision on formulary inclusion of AP301, and thereby support physician and patient adoption of AP301 in hyperphosphatemia market in the U.S.

In addition, to support our upcoming product launches, we plan to continue to expand our in-house sales team by recruiting seasoned sales and marketing professionals with extensive industry expertise and deep physician networks in renal areas. As our marketing strategy is anchored on an evidence-based, academic promotion model, we intend to drive market awareness and clinical adoption by initiating post-marketing clinical studies and establishing active scientific dialogues with KOLs. Simultaneously, we seek to maintain a stringent internal compliance framework and anti-bribery policies to ensure that all marketing, promotional and academic activities are conducted in strict accordance with applicable laws and industry standards.

Prevention of Cannibalization

Due to the similarities of therapeutic effect and applicable indication for AP301 and AP306, there may be an overlap of addressable market or risk of cannibalization. However, we are of the view that the risk of cannibalization between AP301 and AP306 is low, due to the following reasons: (i) AP301 and AP306 are highly differentiated in terms of efficacy and safety profiles, allowing us to capture a broader and more diverse patient population within this therapeutic area: AP301 is a backbone therapy for the majority of the hyperphosphatemia patients based on classic phosphate binding effect and AP306 primarily targets patients that need more efficacious drugs to contain extremely high hyperphosphatemia level or intolerance of other phosphate lowering therapeutics; (ii) the two product candidates are expected to target different patient groups, with AP301 acting as a passive chemical binder that optimizes the pill-swallowing experience for patients that are taking binders and whose serum phosphate are under control and AP306 acting as an active transport inhibitor that minimizes daily pill burden and provides greater serum-phosphate reduction efficacy; and (iii) AP301 primarily targets cost-sensitive patients for its high value for money and AP306 primarily targets patients who are less price sensitive for its differentiated approach to therapeutic needs. To minimize cannibalization risks, we will deploy a segmented market access and pricing strategy. We intend to position AP301 as a foundational therapy to drive mass-market penetration and volume growth, while strategically positioning AP306 to capture distinct patient segments with differentiated medical and affordability needs. Through this tiered positioning, we believe that the distinct clinical profiles and structured commercial strategies for these two product candidates when commercialized will create strong market synergy rather than cannibalization. For discussion of the cannibalization risk, see "Risk Factors — Due to the similarities of therapeutic effect and applicable indication for certain product candidates, there may be an overlap of addressable market or risk of cannibalization."

Distributorship

During the Track Record Period, we sold Mircera® in China to a third-party distributor, which has registered capital of RMB2 billion and is wholly owned by a major state-owned enterprise listed on the Hong Kong Stock Exchange with a national distribution network for medicinal products in China. Our distributor is primarily engaged in the trading and distribution of pharmaceutical products. It is also our direct customer responsible for delivering Mircera® to its sub-distributors, who subsequently delivered to hospitals and medical institutions. Such arrangement is necessary because under PRC regulations, sales to public hospitals must be conducted through entities holding a Good Supply Practice (GSP) License. As we do not currently possess a GSP License, we engaged such distributor to facilitate compliant sales into public hospitals. Meanwhile, our sales team is responsible for the promotion of Mircera® to hospitals in China. Furthermore, the channels and expertise developed through Mircera®'s commercialization have equipped us with the requisite infrastructure and capabilities to launch its other renal programs. We believe this distribution model helps extend our coverage in a cost-effective manner while retaining proper control over our sales distribution network and enhancing our core commercialization capabilities through direct engagement with downstream hospitals. Our distribution model is in line with the industry norm in the pharmaceutical industry, according to CIC.

As of the Latest Practicable Date, Mircera®'s distribution network through our distributor covered over 50 cities in China. During the Track Record Period, all of our revenue was generated from sales to our distributor in China. Such revenue is recognized when control of the goods is transferred to the distributor, generally on delivery of the goods. To the best knowledge of our Directors, our distributor during the Track Record Period and up to the Latest Practicable Date was an Independent Third Party. Also, during the Track Record Period and up to the Latest Practicable Date, our distributor was not controlled by our former or current employees, did not use our brand or name, and did not receive any material advance or financial assistance from us.

We chose our distributor based on its demonstrated distribution capabilities, knowledge of the respective markets, financial stability, creditworthiness, and operational scale. We regularly monitor our inventory to ensure timely supply of our products and reduce the risk of overstocking. Individual sales contracts or purchase orders are generally separately entered into or placed for each purchase. The following sets forth salient terms of our distribution agreement:

- *Designated distribution area*. Our distributor is allowed to import, store, sell and distribute Mircera® in China (not including Hong Kong, Macau and Taiwan).
- *Term*. The duration of the distribution agreement is two years and can be renewed for another year under the same terms.
- *Sub-distributors*. We do not prohibit our distributor from engaging second-tier or other sub-distributors subject to the compliance with certain specified requirements and clauses in the distribution agreement, including obtaining all the required licenses and permits in its respective designated area for storing, selling and distributing the product. Generally, we do not have contractual relationships with or revenue recognized from sub-distributors engaged by our distributor and we do not manage or monitor such sub-distributors directly. We typically rely on our distributor to supervise its respective sub-distributors. However, we retain a right to select sub-distributors and disqualify particular sub-distributors for failure to meet the specified requirements and clauses in the distribution agreement applicable to the sub-distributors.
- *Delivery and acceptance.* Upon receiving the delivery notice, the distributor is responsible for accepting the product, handling customs clearance, and transporting the relevant goods to the consignment warehouse. The products in the consignment warehouse remain our property.
- *Transfer of ownership.* After both parties sign the purchase order, we will issue an invoice. Once the invoice is issued, the products may be transferred from the consignment warehouse to the distributor's own warehouse, and title to the products will also pass to the distributor.
- *Sales target and minimum purchase requirement*. Our distribution agreement does not specify an agreed annual sales target or minimum annual purchase amount. Our distribution agreement does not mandate selling prices to sub-distributors or end-customers.
- *Return of products*. Our distributor is required to inspect the products on delivery. In line with market practice, return of products are generally not allowed except for limited circumstances, such as, among others, defective or expired products, return requests from medical institutions, or other specific requests approved by us.

OUR SUPPLIERS

During the Track Record Period, our suppliers are mainly comprised of service providers and equipment and consumables suppliers. Although we primarily use a limited number of suppliers, there are alternate suppliers available for our needs for services, equipment and consumables. To the best knowledge of our Directors, there was no material breach of procurement agreements with our suppliers during the Track Record Period. Our Directors believe that we would not experience any material difficulties in procuring our major consumables. For the years ended December 31, 2024 and 2025, purchases from our five largest suppliers in aggregate accounted for 57.0% and 46.4% of our total purchases, respectively. Our purchases from our largest supplier in each year during the Track Record Period amounted to RMB110.5 million and RMB31.4 million, representing 21.9% and 11.2% of our total purchases for the respective year. All of our five largest suppliers during the Track Record Period are Independent Third Parties. None of our Directors or Shareholders who, to the knowledge of our Directors, own more than 5% of our issued share capital immediately following completion of the [**REDACTED**] nor any of their respective close associates had any interest in any of our five largest suppliers during the Track Record Period.

The charts below set forth details regarding purchases from our five largest suppliers for the years indicated:

Supplier	Background	Major Purchases	Credit Terms	Commencement of Business Relationship (Since)	Purchase Amount	% of Total Purchases for the Period
					(RMB in million)	
		For the year ended December 31, 2024				
Supplier A . . .	Founded in China in 1958, it is a general contractor for construction projects	Construction services	60 days	2022	110.5	21.9%
Supplier B . . .	Founded in China in 1989, it is a general contractor for mechanical and electrical equipment installation and housing construction	Construction services	60 days	2022	99.8	19.8%
Supplier C . . .	Founded in China 2010, it is a CRO company that provides clinical research services for the development of drugs and services	CRO services	20 days	2023	37.3	7.4%
Supplier D . . .	Founded in China in 2000, it is a global leading CRDMO platform listed on Shanghai Stock Exchange and the Hong Kong Stock Exchange, providing integrated and end-to-end pharmaceutical development and manufacturing services.	CRO services	30 days	2018	22.2	4.4%
Supplier E . . .	Founded in China in 2021, it is a trading company specializing in the import, export, and distribution of industrial and commercial products, with a focus on providing supply chain solutions and procurement service	Equipment purchase	60 days	2023	17.0	3.4%
Total					286.8	57.0%

Supplier	Background	Major Purchases	Credit Terms	Commencement of Business Relationship (Since)	Purchase Amount	% of Total Purchases for the Year
					(RMB in million)	
		For the year ended December 31, 2025				
Supplier F . . .	Founded in 1985, it is a CRO platform, provides preclinical new drug discovery services for global customers	CMC services	60 days	2022	31.4	11.2
Supplier G . . .	Founded in 2005, it is a global CRO that provides clinical development and patient access solutions for pharmaceutical, biotechnology and medical device companies.	CRO services	30 days	2025	28.5	10.2
Supplier H . . .	Founded in 1968, it is a global CRO that provides clinical development services for the life sciences industry	CRO services	30 days	2025	27.2	9.7
Supplier C . . .	Founded in China 2010, it is a CRO company that provides clinical research services for the development of drugs and services	CRO services	20 days	2023	22.2	7.9
Supplier I. . . .	Founded in 1896, it is a public-listed multinational biotech company engaged in the development of new medicines, diagnostics and digital health solutions	Medical products	45 days	2023	20.7	7.4
Total					130.0	46.4

OUR CUSTOMER

During the Track Record Period, our revenue was generated from a single customer, which is our distributor for Mircera® in China. The single customer was established in 2003. For further details, please see "Business — Commercialization, Marketing and Business Development — Distributorship." Our credit term with the the customer was 30 days during the Track Record Period. We started to sell and recognize revenue from Mircera® in June 2024. In 2024 and 2025, our revenues deriving from our single customer were RMB6.5 million and RMB30.6 million, respectively. Our single customer in the respective periods during the Track Record Period is an Independent Third Party. During the Track Record Period and up to the Latest Practicable Date, to the knowledge of our Directors, none of our Directors or any Shareholder who owns more than 5% of our share capital had any interest in any of our customers. Our customer, including its shareholders, directors, senior management or any of its respective associates, has no past or present relationship (family, employment, trust, financing or otherwise) with us, our subsidiaries, our Shareholders, Directors, senior management or any of their respective associates.

During the Track Record Period, our customer in each period of the Track Record Period was not one of our suppliers, and none of our five largest suppliers in each period of the Track Record Period was also our customer.

INTELLECTUAL PROPERTY

As of the Latest Practicable Date, we held 153 patents and patent applications, among which 24 were related to our Core Product (including four granted patents in China, two granted patents in the U.S., one granted patent in Europe, three granted patents in Taiwan, two granted patents in each of Hong Kong, Macau, Australia, Canada, Japan and New Zealand, as well as two pending patent applications in China). As of the Latest Practicable Date, we had not received any material concerns or inquiries from relevant competent authorities that make us believe that any of the pending patent applications will be finally rejected. The following table sets forth an overview of our material granted patents and filed patent applications in connection with our Core Product as of the Latest Practicable Date:

Product Candidate	Name of Patent[(1)]	Type	Owner	Jurisdiction	Status	Inventor	Filing Date	Granted Date	Patent Expiration[(2)]
AP301. .	Iron-fiber composition, preparation and uses thereof	Invention	The Group	Chinese Mainland, U.S., Japan, Australia, Canada, New Zealand, Taiwan	Granted	Jinshyun Ruth Wu-Wong[3]	October 12, 2012	Chinese Mainland: October 5, 2016 U.S.: February 14, 2017 Japan: August 10, 2017 Australia: May 14, 2015 Canada: July 21, 2020 New Zealand: May 27, 2016 Taiwan: July 1, 2017	October 12, 2032
AP301. .	Metal ion-functional fiber component complex compositions, preparation and uses thereof	Invention	The Group	Chinese Mainland, Hong Kong, Macau, Australia, Canada, EU, Japan, New Zealand	Granted	Jinshyun Ruth Wu-Wong[3]	March 4, 2014	Chinese Mainland: November 20, 2018/October 26, 2021 Hong Kong: March 6, 2020/February 11, 2022 Macau: April 25, 2019/February 16, 2022 Australia: August 2, 2018 Canada: May 3, 2022 EU: April 24, 2019 Japan: October 12, 2018 New Zealand: March 24, 2017	March 4, 2034

Product Candidate	Name of Patent[1]	Type	Owner	Jurisdiction	Status	Inventor	Filing Date	Granted Date	Patent Expiration[2]
AP301. .	Metal ion-functional fiber component complex compositions, preparation and uses thereof	Invention	The Group	Taiwan	Granted	Jinshyun Ruth Wu-Wong[3]	March 6, 2014	April 11, 2020/July 11, 2022	March 6, 2034
AP301. .	Metal ion-functional fiber component complex compositions, preparation and uses thereof	Invention	The Group	U.S.	Granted	Jinshyun Ruth Wu-Wong[3]	March 4, 2014	October 24, 2017	October 12, 2032
AP301. .	A dissolution test system and test method	Invention	The Group	Chinese Mainland	Pending	Xiaoming Zheng; Yuanyuan Gu; Bin Tian[4]	September 23, 2024	N/A	N/A
AP301. .	A dissolution test system	Utility Model	The Group	Chinese Mainland	Granted	Xiaoming Zheng; Yuanyuan Gu; Bin Tian[1]	September 23, 2024	July 29, 2025	September 23, 2034
AP301. .	Pharmaceutical Composition Comprising Iron–Gum Arabic Complex and Method for Preparing the Same	Invention	The Group	Chinese Mainland	Pending	Haixia Zhao; Dongying Liu; Bin Tian; Jialiang Li; Chutian Shu; Fang Li; Feng Wang (All of these inventors were the employees of the Group before filing this patent application).	February 9, 2026	N/A	N/A

1 Unless otherwise indicated, the names of the patents and/or patent applications within the same family is the same and is therefore listed once.

2 The patent expiration date is estimated based on current filing status, without taking into account any possible patent term adjustments or extensions and assuming payment of all appropriate maintenance, renewal, annuity and other government fees.

[3] This inventor has executed an assignment to assign her rights to Vidasym.

[4] All of these inventors were the employees of the Group before filing this patent application.

We may rely, in some circumstances, on trade secret and/or confidential information to protect aspects of our product candidates. We seek to protect our proprietary product candidates and processes, in part, by entering into confidentiality agreements with consultants, scientific advisers and contractors, and invention assignment agreements with our employees. We have entered into confidentiality agreements with our senior management and key members of our R&D team and other employees who have access to trade secrets or confidential information about our business. Our standard employment contract, which we used to employ each of our employees, contains an assignment clause, under which we own all the rights to all inventions, technology, know-how and trade secrets derived during the course of such employee's work.

We also seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security of our premises and physical and electronic security of our information technology systems.

As of the Latest Practicable Date, we held six registered trademarks in Chinese Mainland and three registered trademarks in Hong Kong. We are also the owner of one domain name.

During the Track Record Period and up to the Latest Practicable Date, (i) we were not involved in any legal, arbitral or administrative proceedings in respect of, and we had not received notice of any material claims of infringement, misappropriation or other violations of, third-party intellectual property; and (ii) we were not involved in any proceedings in respect of any intellectual property rights that may be threatened or pending and that may have an influence on the research and development for any of our product candidates in which we may be a claimant or a respondent.

A freedom-to-operate searches and analyses ("**FTO Analysis**") has been conducted in China, the United States and Europe in relation to AP301 (our Core Product), and in China and the United States in relation to AP306 and AP303. With the support of the FTO Analysis, our Directors were not aware of any material infringement risk of third parties' patent rights in relation to AP301 (our Core Product), AP306 and AP303 in China and the U.S. up to the Latest Practicable Date. In addition, our Directors confirm, with the support of the our IP adviser's view, that the Group's patents and patent applications sufficiently cover the material aspects of AP301 and/or its associated technologies in China and the U.S.

COMPETITION

We face competition from existing products and product candidates under development in the market. See "Industry Overview" for more details on the competitive landscape of the various markets in which we compete. To stay competitive in such a dynamic environment, we will continue to focus on leveraging our industry experience, established R&D capabilities and collaboration network for the discovery and development of differentiated therapeutics in the field of kidney diseases. Also, we will implement differentiated R&D strategies to advance our product pipeline. See "Business — Our Strategies" for more details on our strategies for product pipeline development.

INSURANCE

We maintain insurance policies that we consider to be in line with market practice and are adequate for our business. Our principal insurance policies cover employee benefits liability, adverse events in clinical trials and property loss for our manufacturing facility in Yangzhou. We currently do not maintain insurance for environmental liability. Please refer to "Risk Factors — Risks Relating to Our Operations — We have limited insurance coverage, and any claims beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources." in this Document. During the Track Record Period, we had not made or been the subject of any material insurance claims.

EMPLOYEES

As of December 31, 2025, we had 162 employees in total. The following table sets forth the number of our employees categorized by function as of December 31, 2025.

Functions	Number of employees by function	Percentage/%
Research and Development	66	40.8
Commercialization and Sales	37	22.8
Business Strategy and Corporate Development	5	3.1
General and Administrative	26	16.0
Manufacturing	28	17.3
Total	162	100.0

We enter into individual employment contracts with our employees covering salaries, bonuses, employee benefits, workplace safety, confidentiality and non-competition, work product assignment clause and grounds for termination.

We have made contributions to our employees' social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds pursuant to applicable laws and regulations. We have complied with all statutory social security insurance fund and housing fund obligations applicable to us under the laws and regulations in China in all material aspects during the Track Record Period and as of the Latest Practicable Date. Please refer to the section headed "Risk Factors — Risks Relating to Doing Business in the Jurisdictions Where We Operate — We are subject to risks in relation to our social insurance and housing provident fund contributions" in this Document.

During the Track Record Period, we engaged a third-party human resource agent to pay social insurance and housing provident fund contributions for certain employees performing commercialization and sales function with personal needs to make contributions in locations where we do not have substantial presence, and one of our foreign employees voluntarily waived our contributions to social insurance on behalf of such employee and signed a waiver form. As contributions through third-party human resource agents and waiver by such foreign employee may be deemed invalid by relevant authorities, we may be required to make additional social insurance and housing provident fund contributions in the amount of RMB1.5 million for such practices during the Track Record Period. According to our PRC Legal Adviser, under the relevant PRC laws and regulations, (i) if the outstanding amounts of social insurance shortfall are not paid in a timely manner, we may be subject to fines of one to three times the outstanding amounts; and (ii) for any shortfall in the housing provident fund, the relevant authorities may direct us to make up the shortfall within a stipulated period and we may be subject to the court for enforcement if it remains unpaid after the deadline. As of the Latest Practicable Date, we had not been subject to any administrative penalties due to insufficient payment of employee social insurance or housing provident fund. We had also not received any significant complaints or reports from employees regarding such payments, nor any notifications from relevant authorities requesting us to make up payments, conduct investigations, or accept penalties. Based on relevant regulatory policies and facts above, our PRC Legal Adviser is of the opinion that the likelihood of being pursued by the relevant authority for unpaid amounts or facing administrative fines due to historical shortfall is remote. In consideration of the above, our Directors believe that past non-compliance issues are unlikely to have a significant adverse impact on our business, financial conditions or future compliance and we had thus not made any provision for the shortfall in our social insurance and housing provident fund contributions during the Track Record Period and up to the Latest Practicable Date.

According to the Interpretation (II) for Trial of Labor Dispute Cases, if the employer and laborer agree or the laborer promises that social insurance premiums need not be paid, the people's court shall deem such agreement or promise invalid. During the Track Record Period, we had reached such agreement with only one employee. Considering the limited number of employee involved, our PRC Legal Adviser and Reporting Accountant are of the view that the Interpretation (II) for Trial of Labor Dispute Cases will not have a material and adverse impact on our business operations.

We have enhanced our internal control measures requiring social insurance and housing provident fund contributions to be made in compliance with relevant PRC laws and regulations. We plan to regularly review and monitor the reporting and contributions of social insurance and housing provident fund and consult our PRC legal counsel on a regular basis to keep us abreast of relevant regulatory developments. In particular, (i) our human resources department has inspected the consequences and reason for engaging a third-party human resources agency to make social insurance and housing provident fund contributions. We will, based on business development and employee needs, reasonably control the number and proportion of employees whose contributions are handled by third-party agencies; (ii) we will prepare and maintain regular reports in respect of our payment of social insurance premium and housing provident funds for our employees for review by our Board and the head of our human resources department; (iii) we will regularly consult with PRC Legal Adviser to assess and mitigate our level of risk of non-compliance with the relevant laws and regulations; and (iv) we will provide regular internal trainings to our Directors, senior management personnel and other responsible staff on the relevant laws and regulations and consult with PRC Legal Adviser, where necessary, on the updates thereof.

Workplace Safety

We have adopted and maintained a series of rules, standard operating procedures, and measures to maintain our employees' healthy and safe environment. We require employees to participate in safety training to familiarize themselves with the relevant safety rules and procedures. Our PRC Legal Adviser has confirmed that, during the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material penalty in relation to health, work safety, social and environmental protection.

PROPERTIES

As of December 31, 2025, we owned our manufacturing facility in Yangzhou. We leased six properties in Chinese Mainland with an aggregate GFA of approximately 3,331.13 sq.m. We did not own or lease any properties overseas. We believe our current facilities are sufficient to meet our near-term needs, and additional space can be obtained on commercially reasonable terms to meet our future needs.

As of the Latest Practicable Date, our interests in two leased properties may be defective, as the ownership certificates or other similar proof of certain leased properties have not been provided to us by the relevant lessors. Our PRC Legal Adviser believes that this will not have a material and adverse impact on our business operations. As of the Latest Practicable Date, six of our lease agreements for properties in China had not been registered with relevant authorities in China. Our PRC Legal Adviser has advised us that the non-registration of lease agreements will not affect the validity of the lease agreements, but the relevant local housing administrative authorities can require us to complete registrations within a specified timeframe and if we fail to so rectify, we may be subject to a fine of between RMB1,000 and RMB10,000 for each of these leasing properties. We believe additional and/or substitutional space can be obtained on commercially reasonable terms to meet our future needs. We do not expect to experience any material difficulty or incur material cost in relocating any of the foregoing facilities if necessary, and our Directors and our PRC Legal Adviser believe that this will not have a material adverse impact on our business operations and financial performance. We plan to comply with the lease agreement registration requirement regarding our lease agreements. However, as the filing of the lease agreements requires the

coordination of both lessors and lessees, the lessors may not cooperate and complete the registration in a timely manner. For further details, see "Risk Factors — Risks Relating to Doing Business in the Jurisdictions Where We Operate — We are subject to risks associated with our leased properties."

The Property Valuation Report from AVISTA Valuation Advisory Limited, an independent property valuer, set out in Appendix III of this Document, sets out details of our property interests as of March 31, 2026. AVISTA Valuation Advisory Limited valued our property interests at an amount of RMB422.8 million as of March 31, 2026. Except for the property interests set forth in the property valuation report, no single property interest that forms part of our non-property activities had a carrying amount representing 15% or more of our total assets as of December 31, 2025.

PERMITS, LICENSES AND OTHER APPROVALS

As of the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant authorities that are material to our operations in the PRC and such licenses, permits and certifications all remain in full effect. For more details regarding the laws and regulations to which we are subject, see "Regulatory Overview" in this Document. We had not experienced any material difficulty in renewing such licenses, permits, approvals and certificates during the Track Record Period and up to the Latest Practicable Date, and we currently do not expect to have any material difficulty in renewing them when they expire, if applicable. During the Track Record Period and up to the Latest Practicable Date, we had not been penalized by any government authorities for any non-compliance relating to maintenance and renewal of our material licenses, permits, approvals and certificates.

The following table sets forth the details of our material licenses, permits and approvals as of the Latest Practicable Date:

License/Permit	Issuing Authority	Grant Date	Expiration Date
Drug Clinical Trial Approval Notice (Phase II trial for VS-505 pills)	NMPA	January 16, 2020	N/A
Drug Clinical Trial Approval Notice (Phase III trial for AP301 pills)	NMPA	March 10, 2023	N/A
Drug Clinical Trial Approval Notice (Phase III trial for AP301 pills)	NMPA	March 20, 2023	N/A
Drug Clinical Trial Approval Notice (Phase III trial for AP301 pills)	NMPA	July 5, 2024	N/A
Drug Clinical Trial Approval Notice (for AP303 tablets)	NMPA	January 5, 2024	N/A
Drug Clinical Trial Approval Notice (Phase II trial for AP303 tablets)	NMPA	March 7, 2025	N/A
Drug Clinical Trial Approval Notice (Phase II trial for AP303 tablets)	NMPA	June 6, 2025	N/A
Drug Clinical Trial Approval Notice (Phase II trial for AP306 pills)	NMPA	December 16, 2022	N/A

License/Permit	Issuing Authority	Grant Date	Expiration Date
Drug Clinical Trial Approval Notice (Phase II trial for AP306 tablets)	NMPA	November 21, 2024	N/A
Drug Clinical Trial Approval Notice (Phase II trial for AP306 tablets)	NMPA	February 27, 2025	N/A
Drug Manufacturing License Category B	Jiangsu Provincial Drug Administration	February 9, 2026	February 8, 2031

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Corporate Governance

ESG Governance Structure

Our Board of Directors fully recognizes the importance of environmental, social, and corporate governance to achieve green, compliant, and sustainable development. To support our long-term sustainable development strategy, we have formulated the ESG Policy and regularly review and evaluate the effectiveness of relevant policies and management systems.

We have established an ESG Working Group under direct supervision of the Board of Directors. The Board of Directors, as our highest decision-making body for ESG matters, bears the ultimate responsibility for our overall direction, strategies, objectives, performance, and reporting on sustainable development. The Board of Directors is responsible for reviewing and supervising our ESG vision, policies, and objectives, and it assesses and confirms our material ESG risks and opportunities at least once a year to ensure proper responses. The Board of Directors works closely with the ESG Working Group to jointly identify and assess ESG-related risks and opportunities, approve relevant business strategies, and continuously optimize our ESG management measures. In addition, the Board of Directors also adopts resolutions on relevant issues proposed by the ESG Working Group, formulates specific action plans, and assigns tasks to relevant departments or work units for implementation, so as to ensure the effective achievement of ESG goals.

The ESG Working Group has one leader, who shall be our Executive Director and CEO. Members of the Working Group are composed of heads of various functional departments, including human resources, pre-clinical R&D, CMC, administration and quality control. The leader of the ESG Working Group shall coordinate our ESG work, guide the development of ESG initiatives, organize communication meetings, and assess the implementation of ESG work.

The Board of Directors provides overall ESG oversight by approving our sustainability mission, values and objectives; ensuring resources for ESG strategy implementation; validating material ESG risks and opportunities; monitoring performance against key indicators; and reviewing and approving ESG disclosures. The ESG Working Group — formed with diversity in mind — drives execution by developing ESG strategy, targets and mid- to long-term plans, delivering the annual ESG work plan, assessing risks/opportunities and mitigation actions, engaging stakeholders, maintaining ESG policies, providing training, and consolidating data to prepare the annual ESG report for Board review and approval.

The Board of Directors and all employees have learned about ESG and are actively putting ESG concepts into practice. Looking ahead, we will also consider engaging external experts to provide professional ESG training to the Board of Directors and all employees. This initiative aims to ensure that our Board of Directors continuously updates and maintains the timeliness of its ESG-related knowledge, thereby possessing sufficient expertise to support the company's decision-making in the ESG field. After [**REDACTED**], we will further improve our ESG governance framework in accordance with the requirements of the ESG Code.

Business Ethical Values

We emphasise integrity and compliance and comply with applicable PRC laws, including the PRC Company Law and the PRC Anti-Unfair Competition Law. We maintain zero tolerance for misconduct such as corruption, bribery, extortion, malpractice and money laundering, and have implemented internal policies (including our Compliance Policy and Employee Handbook) prohibiting such conduct in all business operations. All employees receive compliance training, and relevant third parties are required to provide integrity undertakings or have anti-bribery and compliance obligations included in their contracts. We also maintain reporting channels for suspected fraud or non-compliance, accept reports on an identified, confidential or anonymous basis, and protect whistleblowers and related information with strict confidentiality.

Information Security and Data Privacy Protection

We comply with applicable PRC laws and regulations on cybersecurity and personal information protection, including the PRC Cybersecurity Law and the PRC Personal Information Protection Law. Based on our operational needs, we have established internal mechanisms and policies (including data security management and personal information protection assessment procedures) and require all employees to sign confidentiality agreements and comply with our information security controls.

In accordance with GCP and applicable requirements, access to clinical trial data is restricted to authorised personnel under a hierarchical access control framework, and data is used only for the purposes consented to by trial subjects and consistent with the informed consent form. We impose confidentiality obligations on clinical trial service providers and manage personal information in line with applicable laws, ethics committee-approved protocols and informed consent requirements. We collect only data necessary for research objectives, apply coding/de-identification and access restrictions, and primarily use trial data rather than direct identifiers. We also maintain retention and deletion/anonymisation procedures, under which data is deleted or anonymised upon expiry of the retention period, or retained where required by applicable laws and regulations.

Product Responsibility

Product Quality and Safety

We have established a quality and safety management system covering the entire process of drug research and development, registration, clinical trials, contract manufacturing, and promotion, strictly in accordance with the requirements of laws and regulations such as the Drug Administration Law of the People's Republic of China, the Measures for the Administration of Adverse Drug Reaction Reporting and Monitoring, the Good Clinical Practice for Drug Clinical Trials, and the Good Pharmacovigilance Practices. We have formulated a series of management systems, including the "Quality Standards", "Procedures for Entrusted Drug Production Management", "Procedures for Entrusted Inspection Management", and "Procedures for Entrusted Production Process Monitoring Management", to comprehensively regulate drug production, inspection, and transportation from an institutional level. This ensures that drugs are safe, effective, and of controllable quality throughout the entire production and circulation process, thereby guaranteeing that the manufactured drugs fully comply with their intended use and registration standards.

In terms of supplier quality management, we consider multiple factors when selecting suppliers, such as their company size, production experience, and financial capability. We regularly audit and inspect suppliers to verify that their processes comply with our quality requirements and regulatory standards.

Protecting Intellectual Property Rights

We strictly abide by the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China, and other laws and regulations, and have established effective mechanisms for intellectual property and trade secret protection. To avoid infringement, we strictly implement a duplicate checking and review process during intellectual property applications, while strengthening employees' compliance awareness and explicitly prohibiting fraud or plagiarism of others' achievements.

Supply Chain Management

We strictly abide by the Bidding Law of the People's Republic of China and other laws and regulations, standardize procurement practices and procedures, and promote green procurement and transparent procurement to enhance the sustainable management of our supply chain, committed to establishing long-term win-win partnerships with suppliers. We integrate ESG concepts throughout the entire supply chain management process, continuously promoting the development of a responsible supply chain. We have formulated supply chain ESG management standards to ensure that partners' management systems comply with our requirements for compliance, safety, and sustainability.

In the selection and cooperation process, we not only focus on suppliers' qualifications, quality, and delivery capabilities but also consider their performance in areas such as energy conservation and emission reduction, occupational health, safe production, protection of employee rights, and business ethics. For partners involved in R&D, production, and clinical stages (such as CROs, CDMOs, etc.), we also monitor the implementation of their environmental, social, and governance management policies, as well as the standardization of their production measures and management procedures, to ensure that entrusted production and related activities align with our sustainable development goals.

Protection of Employees' Rights and Interests

Compliance in Employment

We strictly observe laws and regulations such as the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, and the Special Provisions on Labor Protection for Female Employees, and formulate and implement internal rules and regulations such as the Employee Handbook and ESG Policy, explicitly prohibiting any form of discrimination, firmly opposing forced labor, harassment, and abuse, and strictly prohibiting the use of child labor. We have committed to treating all employees fairly in all aspects of employment, remuneration and benefits, promotion, dismissal, and retirement, without discrimination based on nationality, race, gender, religious beliefs, or cultural background, striving to create a diverse and inclusive work environment.

Training and Development

We attach great importance to improving employees' capabilities and qualities, supports employee growth through a sound training system, empowers employees at all stages of their careers, enables employees to grow and develop rapidly, enhances job competency, and provides every employee with open, fair, and just opportunities and platforms for self-development. The training content covers various areas, including new employee onboarding training, general competency training, professional skills training, and leadership training.

Health and Safety

We regard employee health and safety as a key responsibility and comply with applicable PRC laws and regulations, including the Work Safety Law, the Law on Prevention and Treatment of Occupational Diseases, the regulations on hazardous chemicals safety management and work-related injury insurance. We have established and continue to enhance our safety and occupational health management systems, with clearly defined departmental safety responsibilities and role-specific duties and health objectives across production and operations to safeguard employees. We also strengthen laboratory safety through risk-based emergency plans, enhanced day-to-day control of reagents and hazardous materials, adequate firefighting and emergency equipment, and spill prevention measures in chemical collection and storage areas.

Environment

Use of Resources

We comply with the Energy Conservation Law of the People's Republic of China, the Circular Economy Promotion Law of the People's Republic of China and other laws and regulations, and is committed to minimizing resource consumption through various measures:

- Electricity consumption: Install smart lighting, energy-saving air conditioners, variable frequency motors, and other energy-saving products in office areas and other premises, and carry out energy-saving renovation or regular upgrades for high-energy-consuming equipment; encourage employees to develop energy-saving habits, such as turning off lights and computers, and reasonably setting air conditioning temperatures.

- Water: Continuously optimize water resource management, carry out water conservation campaigns, post water-saving slogans, and enhance all employees' awareness of water conservation; promote water-saving technologies and facilities, such as water-saving toilets, induction faucets, and rainwater harvesting systems, optimize water usage in production processes, and improve water recycling rates; regularly inspect water supply equipment and pipelines, promptly repair and replace old equipment, and eliminate phenomena such as running, overflowing, dripping, and leakage.

Our main resources consumed are electricity, steam, and water. We do not own corporate vehicles, so we do not involve the consumption of direct energy such as gasoline and diesel. For the years ended 2024 and 2025, the total consumption and intensity of various resources are as follows:

	For the Year Ended December 31,	
	2024	2025
Water consumption		
Total water consumption (ton)	149,324.4	135,978.9
Consumption intensity* (tons/employee)	1,131.3	839.4
Indirect energy consumption		
Purchased electricity (kWh)	4,495,223.2	6,121,548.1
Purchased steam (tons)	4,927.6	10,199.6
Integrated energy consumption		
Total energy consumption (tons of standard coal)	935.2	1,714.6
Energy consumption intensity (tons of standard coal/employee)	7.1	10.6

Note:

* The high water consumption intensity was primarily due to the construction of our manufacturing facility in Yangzhou, which required significant water consumption. As the construction progresses toward completion and the facility transitions to regular operations, the water consumption intensity is expected to return to normal levels in subsequent years.

Pollutant emissions

We comply with applicable PRC laws and regulations and those of our operating locations, including the PRC laws on the prevention and control of atmospheric pollution, water pollution and environmental pollution by solid waste. We have established an environmental management system covering the handling of air emissions, wastewater and hazardous waste, conduct regular inspections of environmental protection equipment, and engage qualified testing agencies to carry out periodic monitoring of wastewater and air emissions to ensure compliance with applicable discharge standards and the standardised management of solid waste.

Our waste mainly comprises (i) hazardous waste generated from laboratory R&D and (ii) general solid waste and domestic waste arising from daily operations. General solid waste is regularly transferred to qualified recyclers or disposal parties, and domestic waste is collected and transported by property management or municipal sanitation service providers. Hazardous waste is collected and stored in designated, properly labelled areas in accordance with applicable requirements and is transferred to contracted, qualified third-party contractors for centralised disposal. We also maintain a hazardous waste register to record, among others, the type, quantity, movement, storage and disposal of hazardous waste.

Our hazardous waste quantities in 2024 and 2025 are set out below:

	For the Year Ended December 31,	
	2024	**2025**
Hazardous waste (tons)	3.0	18.05
Hazardous waste discharge intensity (tons/employee)		
Non-hazardous waste (tons)	0.02	0.11
Discharge density of non-hazardous waste (ton/employee)	23.3	28.05

The exhaust gas produced by us mainly comes from emissions generated during the R&D process. For the waste gas generated by the laboratory, it is collected through a fume hood, treated by an activated carbon adsorption device on the roof, and then discharged up to standard through a 63-meter-high exhaust chimney. For waste gas generated from production, after being treated by the medium-efficiency filter and two-stage activated carbon at the outlet of the air conditioning ventilation system, it is discharged up to standard through a 30-meter high exhaust chimney.

In 2024 and 2025, the exhaust gas emissions generated by us were as follows:

	For the Year Ended December 31,	
	2024	**2025**
Total airborne emissions (kg)	122.1	79.52

Our wastewater primarily arises from R&D activities, production and domestic use. R&D and production wastewater is treated by the park's centralised wastewater treatment facilities to meet applicable standards and is then discharged to the municipal wastewater network together with domestic sewage. In accordance with licensing requirements, we have installed online monitoring devices at the production wastewater discharge point and connected them to the municipal environmental monitoring system, and we engage qualified monitoring agencies to conduct regular

testing of wastewater discharges and report results to the local Ecology and Environment Bureau. As our business grows and drug candidates progress toward commercialisation, resource consumption and emissions may increase; nevertheless, we will continue to enhance resource efficiency and reduce emissions, and seek to improve environmental performance across our value chain, including office operations, supplier management, laboratory activities and waste management.

Greenhouse Gas Emissions

We have not yet purchased any fuel-powered official vehicles, so Scope 1 GHG emissions are not currently involved. In the future, when purchasing official vehicles, we will prioritize new energy vehicles or pure electric vehicles to further reduce the carbon footprint of our operations and promote green and low-carbon travel.

Scope 2 carbon emissions from purchased electricity and purchased steam are the main sources of our carbon emissions. Therefore, we formulate a series of environmental management plans to continuously improve our resource consumption efficiency and ensure all of our operations comply with governmental environment-related regulations and requirements, aiming to avoid or reduce the adverse impact of our operations on the environment. We continue to reduce daily office electricity consumption through various measures such as green lighting control, power-saving settings for office equipment, energy-saving settings for air conditioning, and meeting room usage management.

Our carbon dioxide emissions in 2024 and 2025 were as follows:

	For the Year Ended December 31,	
	2024	**2025**
Scope 1 emissions (tCO_2e)	0	0
Scope 2 emissions (tCO_2e)	3,101.78	6,081.78
Scope 3 emissions (tCO_2e)	78.23	73.40
Greenhouse gas emissions (tCO_2e)	3,180.00	6,155.18
Greenhouse gas emission intensity ((tCO_2e)/employee)	28.2	37.99

Notes:

(1) According to Appendix II of the HKEX's How to Prepare an ESG Report, Scope 2 GHG emissions refer to emissions from our consumption of purchased or acquired electricity and steam.

(2) Scope 3 GHG emissions mainly include GHG emissions from waste generated in operations (Category 5) and business travel (Category 6).

Addressing Climate Change

We monitor the impacts of climate change on the pharmaceutical sector and our operations and, with reference to the ISSB S2 disclosure framework, assess and implement climate risk management measures to enhance long-term resilience. Climate-related risks and opportunities are reviewed at least annually by the ESG Working Group, with the EHS Department leading strategy development, coordinating related work and reporting key issues to the Board. We also provide annual climate-related training to the Board and may engage external experts to share relevant developments.

Based on our current business profile, we do not expect climate change to have a material impact on our operations in the near term. However, we may be exposed to physical risks (acute and chronic), such as typhoons, floods and rising temperatures, which could damage assets and disrupt operations and supply chains. We seek to mitigate these risks through measures including property insurance, contingency planning and enhanced supply chain management. We may also face transition risks arising from tighter environmental regulation and market expectations, including

higher energy and raw material costs, increased waste and pollutant treatment costs, investment in low-emission technology upgrades (such as green chemistry R&D), and potential demand shifts from customers. We address these risks through strengthened compliance and disclosure, stakeholder engagement, talent development and supply chain management, while promoting green chemistry innovation and improving energy efficiency through energy-saving and consumption-reduction initiatives.

Goals and Strategies

The Board of Directors is responsible for assessing and managing ESG-related risks, opportunities, and objectives. As our business expands, we anticipate an increase in our overall resource consumption and emissions. We are committed to improving the environmental performance of the entire value chain, including office operations, supplier selection, raw material inflow, experimental processes, and waste management, to control resource consumption intensity and waste levels. Based on our historical energy consumption levels and average of industry peers, we have set the following specific ESG-related targets:

In the next three years, we will continue to optimize our energy structure and energy conservation management, striving to control our greenhouse gas emissions and energy consumption intensity between 90% and 150% of the base year of 2025. Taking into account the periodic fluctuations that may be brought about by the commissioning of new projects, this goal aims to steadily improve energy efficiency while ensuring the development of our business.

	Indicators	2025 (Actual)	Goals for the Next Three Years
GHG reduction . . .	GHG (tCO_2e/employee)	37.99	Control the emission intensity at 90% to 150% of the 2025 level for each of the next three years
Energy efficiency .	Energy consumption intensity (tons of standard coal/employee)	10.58	Maintain energy consumption intensity at 90% to 150% of the 2025 level for each of the next three years

We have not yet set short-term water efficiency targets as water usage remains volatile during the construction of our Yangzhou manufacturing facility; targets will be set once operations stabilise based on actual data.

We have completed data collection for certain Scope 3 categories and have adopted measures to reduce Scope 3 emissions and resource use, including office energy and water-saving initiatives, paperless practices, remote meetings to reduce travel, greener commuting and business travel, improved recycling and reuse in production, and supplier environmental assessment and engagement, while continuing to focus on supply chain and transportation emissions. Using 2024 as the base year, we target a 10% reduction in water intensity in China and a 100% compliant hazardous waste disposal rate by 2030, and will review progress regularly and refine actions as appropriate.

The Board will periodically review performance against ESG objectives and adjust measures where material deviations are identified, and our Directors do not expect these measures to have a material adverse impact on our operations.

LEGAL PROCEEDINGS AND NON-COMPLIANCE

Legal Proceedings

During the Track Record Period and up to the Latest Practicable Date, we were not a party to any actual or threatened legal or administrative proceedings.

Legal Compliance

During the Track Record Period and up to the Latest Practicable Date, we had complied with all material applicable laws and regulations in all jurisdictions. Specifically, according to our PRC Legal Adviser, during the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material non-compliance incidents that led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition or results of operation. Our Directors confirmed that we had complied with all material applicable laws and regulations for our operations in the PRC and the United States and we were not involved in any material or systemic non-compliance incidents in the PRC and the United States.

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management

To monitor the ongoing implementation of our risk management policies and corporate governance measures after the [**REDACTED**], we have adopted or will continue to adopt, among other things, the following risk management measures: establish an Audit Committee to review and supervise our financial reporting process and internal control system; adopt various policies to ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure; provide anti-corruption and anti-bribery compliance training periodically to our senior management and employees to enhance their knowledge and compliance with applicable laws and regulations; and attend training sessions by our Directors and senior management in respect of the relevant requirements of the Listing Rules and duties of directors of companies listed in Hong Kong.

Internal Control

We have engaged an independent internal control consultant to assess our internal control system in connection with the [**REDACTED**]. The internal control consultant has conducted a review procedure on our internal control system in certain aspects, including financial reporting and disclosure controls, corporate level controls, information system control management and other procedures for our operations. We had improved our internal control system by adopting and implementing the corresponding enhanced internal control measures. Going forward, we will continue to regularly review and improve these internal control policies, measures and procedures.

We have also appointed external legal counsel to advise us on compliance matters, such as compliance with the regulatory requirements on clinical R&D, which is also monitored by our legal compliance team. We have also established anti-bribery guidelines and compliance requirements. After considering the remedial actions we have taken, our Directors are of the view that our internal control system is adequate and effective for our current operations. We plan to provide our Directors, senior management, and relevant employees with continuous training programs and updates regarding the relevant laws and regulations regularly to proactively identify any concerns and issues relating to any potential non-compliance.

Anti-bribery

We maintain a strict code of conduct and anti-corruption policies among our employees and distributors. We strictly prohibit bribery or other improper payments in our business operations. This prohibition applies to all business activities, anywhere globally, whether involving government officials or healthcare professionals. We will also ensure that commercialization team personnel comply with applicable promotion and advertising requirements, including restrictions on promoting drugs for unapproved uses or patient populations and limitations on industry-sponsored scientific and educational activities.

We have adopted comprehensive internal control measures for anti-corruption and anti-bribery by (i) providing regular anti-corruption and anti-bribery compliance training for senior management and employees, including daily compliance team meeting, annual compliance training and other ad hoc compliance training sessions, to enhance their knowledge and compliance with applicable law and regulations; (ii) monitoring books, records and accounts with respect to supplier management, tendering and bidding process management and financial payment management to identify any false, misleading or undisclosed entries; (iii) establishing whistle-blowing mechanisms and encouraging all employees, suppliers, customers and other third parties to report suspicious activities and violations of the policies.

Conflict of Interest and Non-Competition

Our code of conduct clearly defines the scope of conflicts of interest, including supplier and customer relationships, hospitality and gifts, financial interests and personnel matters. Our employees may not have or be suspected of having a personal interest in business dealings with our suppliers, customers, competitors or distributors; accept monetary, financial or other benefits from our suppliers, customers, competitors or distributors; have close relatives who work for our suppliers, customers, competitors or distributors; serve as a consultant or director in an association or company in the same market or industry. At the same time, employees shall keep confidential information strictly confidential and agree on the definition of confidential information, the content covered, the use of intellectual properties, including but not limited to any transfer of know-how, acquisition of technologies, and potential breach liabilities.

Data Privacy Protection

The data collected by us mainly includes de-identified personal information of patients participating in clinical trials and other clinical trial data provided by Clinical Trial Sites. We use Electronic Data Capture systems established by CROs for the storage and management of trial data. We process the patients' personal information in accordance with the informed consent forms agreed by the patients, in which we have established specific personal information processing terms, and retain s patients' personal information in accordance with legal requirements and the duration agreed upon by each patient. All personal information we obtain from patients has been de-identified and cannot directly identify any individual, thereby meeting the requirements of GCP for subject data in clinical trials. To the best of our knowledge, we believe that all the personal information of patients generated in our clinical trials has been de-identified to the extent necessary. We do not and will not use the patients' personal information for any purposes other than the clinical trial objectives. We establish and implement personal information protection and deletion mechanism, to ensure that the personal information of the patients is retained in accordance with legal requirements, including retention for five years after database lock, for the duration necessary to achieve the purposes outlined in the informed consent form, or until five years after the investigational drug receives marketing approval. Personal information will be retained within the scope of the informed consent. Up to the Latest Practicable Date, we are only involved in providing one commercialized product, but we do not sell it directly to users, nor do we collect users' personal information through this product. We have established procedures to protect the confidentiality of patients' data. We implement strict internal policies to govern the collection, handling, storage, retrieval of, and access to our patients' personal data and medical records and protect the security and confidentiality of personal information to ensure compliance with all applicable PRC rules and

regulations on data protection and privacy, including the Research Center Management and Supervision Measures, Research and Development Records and Data Management Procedures, Data Security Management System, Data Classification and Grading Management Measures, Data Security and Education Training System, and Personal Information Protection Impact Assessment System. Access to clinical trial data has been strictly limited to authorized personnel. Additionally, we require external parties and internal employees involved in clinical trials to comply with confidentiality requirements. Data are to be used only for the intended use, as agreed by the patients and consistent with the informed consent form.

We enter into confidentiality agreements with our employees who have access to any aforementioned privacy information. The confidentiality agreements provide that, among other things, these employees are legally obligated not to misuse the confidential information while in office, to surrender all confidential information in possession while resigning, and to retain their confidential obligations after they leave office. Furthermore, we have set up a Data Security Management Committee, which is fully responsible for our data security governance. In terms of operational measures, our collaboration with the CRO is governed by a data processing agreement. We require the CROs to utilize systems compliant with Level 2 of the national Cybersecurity Classified Protection scheme for specific clinical trial data management. As confirmed by our PRC Legal Adviser, the internal controls and technical measures we have implemented fully comply with all currently applicable data security and privacy protection laws and regulations in all material aspects.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any breach of patient personal information or any other patient personal information-related incidents which could cause a material adverse effect on our business, financial condition or results of operations. Our PRC Legal Adviser has confirmed that, up to the Latest Practicable Date, we had not been subject to any material penalty in relation to data privacy, and have been in compliance with the relevant PRC laws and regulations in all material aspects in this regard.

AWARDS AND RECOGNITIONS

The following table sets out the major awards and recognitions we have received.

Year	Award/Recognition	Issuing Authority
2024	Special Project on "Research on Prevention and Treatment of Common and Frequently-occurring Diseases" under the National Key R&D Program (國家重點研發計畫"常見多發病防治研究"重點專項) (for AP308 and related research)	Ministry of Science and Technology/National Health Commission
2024	ODD (孤兒藥認定) (to AP303 for ADPKD indication)	U.S. FDA
2024	BTD (突破性療法認定) (to AP306)	NMPA
2024	"Double Entrepreneurship Plan" Entrepreneurial Team ("雙創計畫"創業團隊)	Jiangsu Provincial Department of Industry and Information Technology

BOARD OF DIRECTORS

Our Board comprises eight Directors, including four executive Directors, one non-executive Director and three independent non-executive Directors. Our Board is responsible and has general powers for the management and operation of the Company's business.

The table below sets forth certain information in respect of the members of the Board:

Name	Age	Position	Date of joining our Group	Date of appointment as Director	Role and responsibilities
Dr. Gavin Guoyao Xia	[46]	Executive Director, chief executive officer and chairman of the Board	November 7, 2018	May 20, 2021	Responsible for providing overall guidance for the business, strategic development and management of our Group
Jin Tian, M.D.	[63]	Executive Director and chief medical officer	April 23, 2018	May 20, 2021	Responsible for clinical research and development
Ms. Wang Yun (汪昀)	[46]	Executive Director and chief of staff	June 1, 2018	April 18, 2024	Responsible for overall operations, human resources, supply chain and administrative affairs of the Group
Dr. Zhang Huading (張華丁)	[50]	Executive Director and chief operating officer	January 17, 2022	December 27, 2024	Responsible for company strategies, R&D portfolio management and external collaborations of the Group
Dr. Lu An (魯安)	[36]	Non-executive Director	June 28, 2024	June 28, 2024	Responsible for providing guidance and advice on corporate strategy and governance to our Company
Dr. Xu Runhong (徐潤紅)	[58]	Independent non-executive Director	October 24, 2025	October 24, 2025	Responsible for providing independent opinion and judgment to the Board
Dr. Zhui Chen	[51]	Independent non-executive Director	October 24, 2025	October 24, 2025	Responsible for providing independent opinion and judgment to the Board
Mr. Leung Chi Wai (梁智維)	[57]	Independent non-executive Director	October 24, 2025	October 24, 2025	Responsible for providing independent opinion and judgment to the Board

Executive Directors

Dr. Gavin Guoyao Xia, previously known as Guoyao Xia, joined us in the early stage as co-founder and has served as a director and chief executive officer of our Group since November 2018. He was appointed as a Director of our Company in May 2021 and was redesignated as an executive Director in October 2025. Dr. Gavin Xia also currently serves as a director of Shanghai Alebund.

Dr. Gavin Xia is a seasoned entrepreneur and venture capitalist with over 15 years of healthcare industry expertise, specializing in drug discovery and management of Biotech start-ups. From June 2007 to April 2013, he served as a postdoctoral fellow in the Department of Chemistry at Northwestern University and subsequently a consultant at Monitor Group. From April 2013 to January 2015, he served as an associate director at Navigant Consulting, Inc., a management consulting firm formerly listed on the New York Stock Exchange (stock code: NCI.NYSE) until its

acquisition by Guidehouse, where he was responsible for management consulting. From February 2015 to September 2019, he served as an investment director at LAV, a biomedical venture capital firm focused on healthcare investment, where he was primarily responsible for project investments. Dr. Gavin Xia transitioned to a venture partner at LAV when he co-founded our business in October 2019, where he was mainly responsible for post-investment management, until December 2024. In addition, he served as a non-executive director at Abbisko Cayman Limited (和譽開曼有限責任公司), a biopharmaceutical company listed on the Stock Exchange (stock code: 2256.HK) from October 2018 to June 2023.

Dr. Gavin Xia obtained his dual bachelor's degrees in chemistry and economics from Peking University (北京大學) in July 2001, and obtained his doctoral degree in chemistry from the University of Chicago in June 2007.

Jin Tian, M.D., founded our Group in April 2018 and has served as co-founder, director and chief medical officer of our Group since then. He was appointed as a Director of our Company in May 2021 and was redesignated as an executive Director in October 2025. Dr. Tian also currently serves as the director of Shanghai Alebund, Alebund HK and Alebund Shanghai.

Dr. Tian founded our business in April 2018 in Shanghai when Shanghai Alebund was established. He served as a director of Shanghai Alebund since then and also the chairman of the board of Shanghai Alebund since November 2018. In addition, he has also served as an executive director of Alebund Shanghai.

Prior to founding our Group, Dr. Tian was a seasoned nephrologist with over 30 years of industry experience, including tenures in Abbott and Roche with a focus on clinical development. He previously worked at Abbott Laboratories (now known as Abbvie, Inc), a multinational medical devices and health care company listed on the New York Stock Exchange (stock code: ABT.NYSE). From October 2007 to October 2010, he was the head of clinical science China at Hoffmann-La Roche Inc., a clinical drug development center of Roche Holding AG, a pharmaceutical company listed on the SIX Swiss Exchange (stock code: ROG.SIX) and the OTCQX International Premier market (stock code: RHHBY.OTCQX). Prior to founding our business, from October 2010 to December 2015, he successively served as the head of clinical science China and a senior medical director at Roche (China) Holding Ltd. (羅氏(中國)投資有限公司), a wholly-owned subsidiary of Roche Holding AG. In addition, Dr. Tian served as an independent clinical study consultant at Vidasym, Inc. from January 2009 to December 2016, and its chief medical officer from January 2017 to April 2018.

Dr. Tian obtained a bachelor's degree in medicine in July 1985 and a master's degree in nephrology from the Second Military Medical University (上海第二軍醫大學) (now known as Naval Medical University (中國人民解放軍海軍軍醫大學)) in July 1990. He subsequently received medical and research training in the United States, including studying at UCLA-Harbor Medical Center. He then studied as a resident in internal medicine at the University of Southern California from June 1996 to June 1998, as a resident in internal medicine at the New Jersey Medical School of University of Medicine and Dentistry of New Jersey from July 1998 to June 1999, and held a postdoctoral fellowship in the Department of Internal Medicine (Nephrology) of the School of Medicine of Yale University from July 1999 to June 2002.

Dr. Tian was certified by the American Board of Internal Medicine in internal medicine in 1999 and in nephrology in 2001. He is a fellow of the American Society of Nephrology.

Ms. Wang Yun (汪昀), joined our Group in June 2018 and has served as the chief of staff since then. She has also served as a director of our Group since December 2020. She was appointed as a Director at our Company in April 2024 and was redesignated as an executive Director in October 2025. Ms. Wang also currently serves as a director of Alebund Shanghai.

Ms. Wang has over 20 years of experience in human resources and corporate operations. From March 2003 to September 2006, she worked as a human resources analyst at Intel (China) Co., Ltd. (英特爾中國有限公司), an indirect subsidiary of Intel Corporation, a company listed on the Nasdaq Global Select Market (stock code: INTC.Nasdaq). From September 2006 to August 2008, she served as a compensation and benefits manager at Starbucks Enterprise Management (China) Co., Ltd. (星巴克企業管理(中國)有限公司), a wholly-owned subsidiary of Starbucks Corporation, a company listed on the Nasdaq Global Select Market (stock code: SBUX.Nasdaq). From August 2008 to March 2010, she worked at Deutsche Bank (China) Co., Ltd., Shanghai Branch (德意志銀行(中國)有限公司上海分行), a subsidiary of Deutsche Bank AG which is a financial institution listed on the Frankfurt Stock Exchange (stock code: DBK.DE) and the New York Stock Exchange (stock code: DB.FWB), with her last position being an associate of HR operations. From August 2010 to February 2015, she was a senior compensation and benefits manager at Shanghai Roche Pharmaceuticals Co., Ltd. (上海羅氏製藥有限公司), a subsidiary of Roche Holding AG, a pharmaceutical company listed on the SIX Swiss Exchange (stock code: ROG.SIX) and the OTCQX International Premier market (stock code: RHHBY.OTCQX). From February 2015 to August 2018, she continued to serve at Shanghai Roche Pharmaceuticals Co., Ltd. as a senior HR business partner of global R&D.

Ms. Wang obtained her bachelor's degree in accounting from the University of Shanghai for Science and Technology (上海理工大學) in July 2002, and her postgraduate diploma in integrated and practicing management from the University of Hong Kong (香港大學) in December 2021.

Dr. Zhang Huading (張華丁) joined our Group in January 2022 and has served as the chief operating officer since then. She was appointed as a Director of our Company in December 2024, and was redesignated as an executive Director in October 2025. In addition, Dr. Zhang currently serves as a director of Shanghai Alebund.

Dr. Zhang has extensive experience in pharmaceutical research and operational management. She previously worked as a process development scientist at Cell Genesys, Inc., a biotechnology company formerly listed on the Nasdaq Global Select Market (stock code: CEGE.Nasdaq) until it was acquired by BioSante Pharmaceuticals, Inc., where she was mainly responsible for the biologics process development. She then worked as a process development scientist at Amgen Inc., a biopharmaceutical company listed on the Nasdaq Global Select Market (stock code: AMGN.Nasdaq), where she was primarily responsible for overseeing the biologics process development. From November 2008 to October 2011, she served as a senior project manager at Baxter International Inc. (previously known as Vantive Healthcare (Suzhou) Co., Ltd. (蘇州萬益特醫療用品有限公司)), a medical products company listed on the New York Stock Exchange (stock code: BAX.NYSE), primarily responsible for R&D project management. She served at Roche (China) Holding Ltd. (羅氏(中國)投資有限公司), a subsidiary of Roche Holding AG which is a pharmaceutical company listed on the SIX Swiss Exchange (stock code: ROG.SIX) and the OTCQX International Premier market (stock code: RHHBY.OTCQX) from October 2011 to November 2019, with her last position being the head of CCO. From November 2019 to January 2022, she served at Pfizer Inc., a pharmaceutical company listed on the New York Stock Exchange (stock code: PFE.NYSE), with her last position being executive director and project manager of Head of Dev China department.

Dr. Zhang obtained a bachelor's degree in engineering, majoring in chemical engineering and technology from Tsinghua University (清華大學) in July 1998. She received her doctorate degree from the Ohio State University in December 2004.

Non-executive Director

Dr. Lu An (魯安), was appointed as a Director of our Company in June 2024, and was redesignated as a non-executive director in October 2025. Currently, he also serves as a director of Shanghai Alebund.

Dr. Lu has extensive experience in medical practice and investment consulting. From July 2015 to July 2016, he served as a physician at Tongji Hospital affiliated to Tongji Medical College of Huazhong University of Science and Technology (華中科技大學同濟醫學院附屬同濟醫院). From September 2016 to July 2018, he worked as a life sciences specialist at L.E.K. Consulting Limited (艾意凱諮詢(上海)有限公司), where he was primarily responsible for strategy consulting and due diligence projects in the biopharmaceutical field. From August 2018 to May 2020, he served as an investment associate at Shanghai Kangshiqiao Commercial Consulting Co., Ltd. (上海康士橋商務諮詢有限公司), where he was primarily responsible for biopharmaceutical primary market investments. Since July 2020, he has served as a vice president at LAV, a biomedical venture capital firm focused on healthcare investment, where he was responsible for overseeing biopharmaceutical primary market investments.

Dr. Lu obtained a doctoral degree in clinical medicine from Tongji Medical College of Huazhong University of Science and Technology (華中科技大學同濟醫學院) in June 2015.

Independent Non-executive Directors

Dr. Xu Runhong (徐潤紅) was appointed as an independent non-executive Director of our Company in October 2025.

Dr. Xu has over 30 years of experience in the healthcare and pharmaceutical industry. From May 1993 to May 2024, she held multiple senior management positions at Baxter International Inc. (stock code: BAX.NYSE), including President of Greater China and global vice president, where she was primarily responsible for the strategic development and business operations in Greater China. From December 2024 to May 2026, she served as the Chief Growth Officer and Co-chairwoman of the Domestic Commercial Platform of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (上海復星醫藥(集團)股份有限公司, stock code: 600196.SH; 2196.HK), where her main responsibilities include commercial strategy, product pipeline management and business operations and since May 2026, she has served as the Chief Executive Officer of the Fosun MedTech Division, fully responsible for its operation and management.

Dr. Xu obtained a bachelor's degree in medicine from Shanghai Jiao Tong University School of Medicine (上海交通大學醫學院) (previously known as Shanghai No. 2 Medical University (上海第二醫科大學)) in July 1991. She further obtained an executive master of business administration (EMBA) degree from China Europe International Business School (中歐國際工商學院) in April 2003, and her doctorate degree in business administration (DBA) from City University of Hong Kong (香港城市大學) in February 2024.

Dr. Zhui Chen, was appointed as an independent non-executive Director of our Company in October 2025.

Dr. Chen has extensive experience in biopharmaceutical R&D. He previously worked at the University of Texas Southwestern Medical Center in the United States. From October 2006 to November 2008, Dr. Chen served as a senior scientist at Abbott Laboratories (now known as Abbvie, Inc) in the United States. From December 2008 to February 2014, Dr. Chen worked at China Novartis Institutes for BioMedical Research Co., Ltd (諾華(中國)生物醫學研究有限公司), with his last position as an Investigator III. From February 2014 to May 2016, he served as an Associate Director in oncology research for Johnson & Johnson. From May 2016 to March 2025, he served at Abbisko Cayman Limited (和譽開曼有限責任公司) ("**Abbisko**"), a biopharmaceutical company listed on the Stock Exchange (stock code: 2256.HK) as a co-founder. During his tenure in Abbisko, he was appointed as a director and senior vice president, biology in March 2018, and he served as an executive director at Abbisko in from June 2021 to March 2025 and a chief scientific officer from March 2022 to March 2025. Dr. Chen has served at OTR Therapeutics Limited (上海翱路生物醫藥科技有限公司), a private biotechnology company, since March 2025, currently being its chief executive officer.

Dr. Chen obtained a bachelor's degree in biochemistry from the University of Texas at Austin in May 1997 and a doctoral degree from Duke University in December 2003.

Mr. Leung Chi Wai (梁智維), was appointed as an independent non-executive Director of our Company in October 2025.

Mr. Leung has extensive experience in corporate governance, audit, and consulting. He has served as the chairman of the group audit committee (full-time Statutory Audit and Supervisory Committee member) of YCP Holdings (Global) Limited, an Asia-focused professional consulting firm specializing in corporate strategy listed on the Tokyo Stock Exchange (stock code: 9257.TYO) since November 2021 where his responsibilities include working with the internal auditor and external financial auditor, conducting audit and communicates with other member of the committee to make decision on important audit-related matters such as financial reporting, risk management, and internal control matters. Since July 2022, he has been the chairman of the audit committee of Hang Seng Qianhai Fund Management Co., Ltd. (恆生前海基金管理有限公司), a joint venture of Hang Seng Bank Ltd., a company listed on the Stock Exchange (stock code: 0011.HK).

Previously, Mr. Leung served as a Partner at YCP Hong Kong Limited from November 2016 to December 2018, and later served as an Alliance Partner from December 2018 to November 2021. He served as supervisor at Umeox (PockeTalk) from 2018 to 2021. He also served as director at TamJai International from 2018 to 2019, and Chong Kin Group from 2016 to 2018. His earlier corporate roles include being seconded to Booz Allen Hamilton (博思艾倫諮詢公司) from 2006 to 2009, serving as interim chief executive officer of AVT Plasma Limited from November 2004 to July 2005, and working as a consultant at McKinsey & Company from 2000 to 2002.

Mr. Leung is currently an associate professor of practice at the Hong Kong University of Science and Technology (香港科技大學). He was an adjunct associate professor at HKU Business School (香港大學經管學院) from 2021 to 2025. He also serves in advisery capacities, including as a finance committee member of English Schools Foundation since 2023, and a member of the advisery panel at the Entrepreneurship Committee Advisory Group of the Hong Kong Cyberport Management Company Limited (香港數碼港管理有限公司) from August 2019 to August 2025.

Mr. Leung obtained a bachelor's degree of science in computing science from Imperial College London in August 1990 and a master of science degree in engineering-economic systems from Stanford University in June 1994. He has been a Fellow Member of the Chartered Management Institute since 2023.

SENIOR MANAGEMENT

Our senior management is responsible for our day-to-day management and business operation. The following table sets out information in respect of our senior management:

Name	Age	Position	Date of joining our Group	Date of appointment as Senior Management	Role and responsibilities
Dr. Gavin Guoyao Xia	[46]	Executive Director, chief executive officer and chairman of the Board	November 7, 2018	October 9, 2019	Responsible for overall strategic planning, business direction, operational management of the Group
Jin Tian, M.D. . . .	[63]	Executive Director, chief medical officer	April 23, 2018	April 23, 2018	Responsible for clinical research and development

Name	Age	Position	Date of joining our Group	Date of appointment as Senior Management	Role and responsibilities
Dr. Shen Xiao . . .	[60]	Chief scientific officer	April 1, 2025	April 1, 2025	Responsible for preclinical development and global regulatory affairs
Dr. Shu Chutian (舒楚天)	[49]	Chief technology officer	August 1, 2019	August 1, 2019	Responsible for molecular discovery and CMC development
Dr. Zhang Huading (張華丁)	[50]	Executive Director, chief operating officer	January 17, 2022	January 17, 2022	Responsible for company strategies, R&D portfolio management and external collaborations of the Group
Ms. Wang Yun (汪昀)	[46]	Executive Director, chief of staff	June 1, 2018	June 1, 2018	Responsible for overall operations, human resources, supply chain and administrative affairs of the Group
Mr. Feng Jun (馮俊)	[57]	Head of commercialization	July 3, 2023	July 3, 2023	Responsible for overall commercialization and commercial strategies and objectives
Ms. Liu Yongli (劉永俐)	[37]	Finance director	June 3, 2025	June 3, 2025	Responsible for financial management of the Group

Dr. Gavin Guoyao Xia, see "— Board of Directors — Executive Directors" for his biographical details.

Jin Tian, M.D., see "— Board of Directors — Executive Directors" for his biographical details.

Dr. Shen Xiao, joined our Group in April 2025 and has served as the chief scientific officer since then.

Dr. Shen Xiao has rich and comprehensive experience in new drug review, clinical medicine and pharmaceutical R&D. In 1990s, he served as a physician at Nanjing General Hospital of Nanjing Military Command, Department of Nephrology (南京軍區總醫院腎臟科). From September 2002 to March 2021, he was a reviewer in the United States Food and Drug Administration (FDA). From March 2021 to April 2024, he served as the chief medical officer and chief strategy officer at 3D Medicines Inc. (思路迪醫藥股份有限公司), a biopharmaceutical company focusing on drug discovery listed on the Stock Exchange (stock code: 1244.HK), where he was mainly responsible for directing and overseeing company strategies and regulatory affairs as well as clinical research and development.

Dr. Shen Xiao obtained his bachelor's degree in medicine from Qingdao Medical College (青島醫學院) (now known as Qingdao University's Qingdao Medical College (青島大學醫學部)) in July 1986. He further obtained his master's degree in medicine from Shanghai No. 2 Medical University (上海第二醫科大學) (now known as Shanghai Jiao Tong University School of Medicine (上海交通大學醫學院) in September 1989, and his PhD from the school of Medicine from West Virginia University in August 1999. Dr. Shen Xiao was a member of the American Physiology Society from June 1999 to June 2001.

Dr. Shu Chutian (舒楚天), joined our Group in August 2019 and has served as the chief technology officer since then. In addition, prior to the 2024 Reorganization, Dr. Shu served as the chairman of the Board from May 2021 to June 2023, the general manager from May 2021 to December 2024 and supervisor from December 2024 to October 2025 at our Company. He has also served as the executive director and general manager at Alebund Yangzhou since May 2024.

Dr. Shu has over 15 years of experience in both industries of MNCs and start-up companies, focusing on chemical, manufacturing and control. He conducted researches at Yale University, Department of Chemistry in the United States. In 2000s, he worked at Boehringer Ingelheim Pharmaceuticals, a private global pharmaceutical company, mainly responsible for CMC research. From January 2010 to November 2015, he was a vice president at Shandong Xuanzhu Pharma Co., Ltd. (山東軒竹醫藥科技有限公司). From December 2015 to February 2018, he served as a team lead at Suzhou Novartis Pharma Technology Co., Ltd. (蘇州諾華製藥科技有限公司), a subsidiary of Novartis AG which is a pharmaceutical company listed on the New York Stock Exchange (stock code: NVS.NYSE) and SIX Swiss Exchange (stock code: NOVN.SIX). From February 2018 to July 2019, he served as the head of CMC at Terns China Biotechnology Co. Ltd. (上海拓臻生物科技有限公司), a subsidiary of Terns Pharmaceuticals, Inc., a clinical-stage biopharmaceutical company listed on the Nasdaq Global Select Market (stock code: TERN.Nasdaq), where he was primarily responsible for all aspects of CMC management.

Dr. Shu obtained a bachelor's degree in chemistry (polymer chemistry and physics) from the University of Science and Technology of China (中國科學技術大學) in July 1995 and his PhD in Chemistry from University of Emory in May 2003.

Dr. Zhang Huading (張華丁), see "— Board of Directors — Executive Directors" for her biographical details.

Ms. Wang Yun (汪昀), see "— Board of Directors — Executive Directors" for her biographical details.

Mr. Feng Jun (馮俊), joined our Group in July 2023 and has served as the head of commercialization since then.

Mr. Feng has extensive experience in pharmaceutical commercialization and operations. From August 1993 to May 1997, he served as a resident physician at Suzhou Fourth People's Hospital (蘇州第四人民醫院) (now known as Suzhou Municipal Hospital East Branch (蘇州市立醫院東區)), chiefly responsible for pediatric clinical practice. From April 1997 to October 2006, he served successively as a regional sales representative, district manager and regional manager at Beijing Novartis Pharma Co. Ltd. (北京諾華製藥有限公司), a subsidiary of Novartis AG, a pharmaceutical company listed on the New York Stock Exchange (stock code: NVS.NYSE) and SIX Swiss Exchange (stock code: NOVN.SIX). From November 2006, he served as a regional sales director at AstraZeneca Pharmaceutical Company Limited, a subsidiary of AstraZeneca PLC, a pharmaceutical company listed on the London Stock Exchange (stock code: AZN.LSE) and the Nasdaq Global Select Market (stock code: AZN.Nasdaq). From September 2011 to March 2017, he was a vice president at Sandoz (China) Pharmaceutical Co., Ltd. (山德士(中國)製藥有限公司), a subsidiary of the Novartis Group, principally responsible for the commercialization of Sandoz's gastrointestinal and oncology products in China. Starting from April 2017, he briefly served as a vice president of operations at respiratory business unit at Edding Pharmaceutical (China) Co., Ltd., Shanghai Branch (億騰醫藥(中國)有限公司上海分公司). From July 2017 to October 2020, he worked as the deputy general manager at Beijing Fresenius Kabi Pharmaceutical Co., Ltd. (北京費森尤斯卡比醫藥有限公司), a subsidiary of Fresenius Kabi AG which is a part of Fresenius SE & Co. KGaA, a healthcare group listed on the Frankfurt Stock Exchange (stock code: FRE.DE). Prior to joining our Group, he served as a general manager of the marketing center at Beijing Konruns Pharmaceutical Co., Ltd. (北京康辰藥業股份有限公司), a pharmaceutical company listed on the Shanghai Stock Exchange (stock code: 603590.SH), where he was responsible for marketing, sales, business operations, and internal controls.

Mr. Feng obtained a bachelor's degree in pediatrics from Nanjing Medical College (南京醫學院) (now known as Nanjing Medical University (南京醫科大學)) in July 1993 and a master's degree in business administration from China Europe International Business School (中歐國際商學院) in October 2013.

Ms. Liu Yongli (劉永俐), joined our Group in June 2025 and has served as the finance director since then.

Ms. Liu has extensive experience in auditing and financial management. From October 2011 to May 2025, she worked at PricewaterhouseCoopers Zhong Tian LLP (普華永道中天會計師事務所), with her last position being a senior manager, and was primarily responsible for auditing engagements.

Ms. Liu obtained a bachelor's degree in business administration from Shanghai International Studies University (上海外國語大學) in July 2011. She was admitted as a member of the Chinese Institute of Certified Public Accountants in October 2016.

Directors' and Senior Management's Interests

Save as disclosed above in this section, 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 management had been a director of any public company the securities of which were listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this Document. There are no other matters with respect to the appointment of our Directors that need to be brought to the attention of the Shareholders, nor is there any information relating to our Directors that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed above in this section, as of the Latest Practicable Date, none of our Directors or senior management were related to other Directors or senior management of our Company.

Saved as disclosed in the sections headed "Substantial Shareholders" and "Appendix IV — Statutory and General Information — Further Information about Our Directors, Senior Management and Substantial Shareholders — Interests and short positions of our Directors and chief executive of our Company in the Shares, underlying Shares and debentures of our Company and our associated corporations", 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.

JOINT COMPANY SECRETARIES

Mr. Chen Nanyou (陳南佑) joined our Group in August 2024 as an associate director of business development and strategy, primarily involving in our Company's business development. He was appointed as the head of investor relations of our Group in July 2025 and has been responsible for investor relations management since then. Furthermore, he was appointed as the joint company secretary of our Company in October 2025 with effect from the [**REDACTED**].

Prior to joining our Group, Mr. Chen worked as an investment manager at Bank of China Group Investment Limited (中銀集團投資有限公司) from September 2018 to July 2021, focusing on global private equity investments in the healthcare sector, particularly buyout and growth-stage investments in the medical device, biotechnology and healthcare services industries. From July 2021 to July 2024, he served as an associate in the corporate finance department of CMB International Capital Limited (招銀國際融資有限公司), where he advised healthcare clients on initial public offerings, mergers and acquisitions and other strategic transactions.

Mr. Chen obtained his bachelor of social sciences degree from Hong Kong Baptist University (香港浸會大學) in November 2017 and his master of Science degree in finance from The Chinese University of Hong Kong (香港中文大學) in November 2021.

Mr. Tse Yu Yeung (謝愉陽) [was appointed] as our joint company secretary in [May 2025] with effect from the [**REDACTED**]. Mr. Tse has over five years of experience in company secretarial and corporate governance fields and is currently an Assistant Manager, Entity Solutions at Computershare Hong Kong Investor Services Limited.

Mr. Tse currently serves as a joint company secretary of Shanghai FourSemi Semiconductor Co., Ltd. (上海傅里葉半導體股份有限公司) (stock code: 3625.HK). Mr. Tse obtained his master of science in corporate governance and compliance from Hong Kong Baptist University in July 2024. He is an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations and the Corporate Governance Code, Appendix C1 to the Listing Rules, our Company has established four committees under the Board, namely the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy Committee.

Audit Committee

We have established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.4 and paragraph D.3 of Part 2 of the Corporate Governance Code, Appendix C1 to the Listing Rules. The Audit Committee consists of three Directors, namely Mr. Leung Chi Wai (梁智維), Dr. Zhui Chen and Dr. Xu Runhong (徐潤紅). Mr. Leung serves as the chairperson of the Audit Committee and holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee include, but are not limited to, the following:

- proposing the appointment or change of external auditors to our Board, monitoring the independence of external auditors and evaluating their performance;
- guiding internal audit work;
- examining the financial information of our Company, reviewing financial reports and statements of our Company and giving comments on relevant matters;
- assessing the effectiveness of internal control;
- coordinating the communication among management, internal audit department, related departments and external audit agency; and
- dealing with other matters that are authorized by the Board or involved in relevant laws and regulations.

Our Company does not maintain a supervisory committee and the Audit Committee shall exercise the powers and duties of the supervisory committee as stipulated in the PRC Company Law.

Remuneration and Appraisal Committee

We have established a Remuneration and Appraisal Committee with written terms of reference in compliance with paragraph E.1 of Part 2 of the Corporate Governance Code, Appendix C1 to the Listing Rules. The Remuneration and Appraisal Committee consists of three Directors, namely Dr. Zhui Chen, Dr. Gavin Xia and Dr. Xu Runhong (徐潤紅). Dr. Zhui Chen serves as the chairperson of the Remuneration and Appraisal Committee. The primary duties of the Remuneration and Appraisal Committee include, but are not limited to, the following:

- formulating individual remuneration plans for Directors and members of the senior management in accordance with the terms of reference of the job responsibilities, the importance of their positions as well as the remuneration benchmarks for the relevant positions in other comparable companies;
- examining the criteria of performance evaluation of Directors and the senior management of our Company, and conducting annual performance evaluation;
- supervising the implementation of the remuneration plan of the Company;
- reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules; and
- dealing with other matters that are authorized by the Board.

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with paragraph B.3 of Part 2 of the Corporate Governance Code, Appendix C1 to the Listing Rules. The Nomination Committee consists of three Directors, namely Dr. Xu Runhong (徐潤紅), Dr. Gavin Xia and Dr. Zhui Chen. Dr. Xu serves as the chairperson of the Nomination Committee. The primary duties of the Nomination Committee include, but are not limited to, the following:

- making recommendations to our Board with regards to the size and composition of our Board based on our Company's business operation, asset scale and equity structure;
- researching and developing standards and procedures for the election of our Board members, general managers and members of the senior management, and making recommendations to our Board;
- conducting extensive search and providing to our Board suitable candidates for Directors, general managers and other members of the senior management;
- examining our Board candidates, general manager and members of the senior management and making recommendations to our Board;
- assessing and reviewing the independence of independent non-executive Directors; and
- dealing with other matters that are authorized by our Board.

Strategy Committee

We have established the Strategy Committee with written terms of reference in place. The Strategy Committee consists of three members, namely Dr. Zhang Huading (張華丁), Dr. Gavin Xia and Dr. Zhui Chen. Dr. Zhang serves as the chairman of the Strategy Committee. The primary duties of the Strategy Committee include, but not limited to, the following:

- analyzing and making recommendations on the long-term development strategy plans of our Company;

- analyzing and making recommendations on major investment and financing proposals; and
- analyzing and making recommendations on other major issues that would affect the development of our Company.

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, directly or indirectly, with our business, and requires 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 on October 23, 2025, and (ii) understands his or her obligations as a director of a listed issuer on the Stock Exchange under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors confirms (i) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) that he or she 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 or her independence at the time of his or her appointments.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors and senior management receive compensation in the form of salaries, allowances, bonuses and other benefits in kind, including our contribution to the pension scheme.

For information on remuneration of Directors during the Track Record Period, as well as information on remuneration of the five highest paid individuals, see Notes 8 and 9 to the Accountants' Report in Appendix I to this Document.

During the Track Record Period, (i) no remuneration was paid to our Directors or the five highest paid individuals as an inducement to join, or upon joining our Group, (ii) no compensation was paid to, or receivable by, our Directors or past Directors or the five highest paid individuals for the loss of office as director of any member of our Group or any other office in connection with the management of the affairs of any member of our Group, and (iii) none of our Directors waived any emoluments. Our Directors' remuneration is determined with reference to the relevant Director's experience and qualifications, level of responsibility, performance and the time devoted to our business, and the prevailing market conditions.

It is estimated that remuneration and benefits in kind equivalent to approximately RMB52.0 million in aggregate will be paid and granted to our Directors and senior management by us in respect of the financial year ending December 31, 2026 under arrangements in force as at the date of this Document.

Except as disclosed in this document, no Director has been paid in cash or shares or otherwise by any person either to induce him to become, or to qualify him as a Director, or otherwise for service rendered by him in connection with the promotion or formation of us.

CORPORATE GOVERNANCE

We have adopted certain corporate governance measures in compliance with the Corporate Governance Code. We aim to achieve a high standard of corporate governance, which is crucial to safeguard the interests of the Shareholders. To accomplish this, we expect to comply with the Corporate Governance Code after the [**REDACTED**].

Pursuant to code provision C.2.1 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 roles of chairman and chief executive should be separate and should not be performed by the same individual. We do not have a separate chairman and chief executive and Dr. Gavin Xia, our chairman of the Board, executive Director and chief executive officer, currently performs these two roles. Dr. Gavin Xia is the founder of our Company and has extensive experience in the pharmaceutical industry. The Board believes that vesting the roles of both chairman of the Board and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired, given that: (1) decision to be made by our Board of Directors requires approval by at least a majority of our Directors; (2) Dr. Gavin Xia and the other Directors are aware of and undertake to fulfil their fiduciary duties as Directors, which require, among other things, that he acts for the benefit and in the best interests of our Company and will make decisions for our Company accordingly; (3) the balance of power and authority is ensured by the operations of the Board of Directors, including three independent non-executive Directors, and has a fairly strong independence element; and (4) the overall strategic and other key business, financial, and operational policies of our Company are made collectively after thorough discussion at both Board of Directors and senior management levels. The Board will continue to review and consider splitting the roles of chairman and chief executive of the Company if and when it is appropriate taking into account the circumstances of the Group as a whole.

BOARD DIVERSITY POLICY

In order to enhance the effectiveness of the Board and to maintain the high standard of corporate governance, we have adopted the board diversity policy which sets out the objective and approach to achieve and maintain diversity of the Board. Pursuant to the board diversity policy, we seek to achieve board diversity through the consideration of a number of factors when selecting the candidates to the Board, including but not limited to gender, age, cultural and educational background, or professional experience. The ultimate decision of the appointment will be based on merit and the contribution which the selected candidates will bring to the Board.

The Board comprises eight members, including four executive Directors, one non-executive Director and three independent non-executive Directors. Our Directors have a balanced mix of knowledge, skills, perspectives and experience, including overall management and strategic development, business, science, investment and consulting. They obtained professional and academic qualifications including business administration, economics and science. Taking into account our existing business model and specific needs as well as the different background of our Directors, the composition of the Board satisfies our board diversity policy, and the Board and the nomination committee of the Company will assess the Board composition regularly.

Our nomination committee is responsible for reviewing the diversity of the Board. After [**REDACTED**], our nomination committee will continue to monitor and evaluate the implementation of the board diversity policy from time to time to ensure its continued effectiveness and we will disclose in our corporate governance report about the implementation of the board diversity policy, including any measurable objectives set for implementing the board diversity policy and the progress on achieving these objectives on an annual basis. We will also continue to take steps to promote gender diversity at all levels of our Company, including but without limitation at the Board and senior management levels.

COMPLIANCE ADVISER

The Company has appointed Somerley Capital Limited as its compliance adviser pursuant to Rule 3A.19 of the Listing Rules. In compliance with Rule 3A.23 of the Listing Rules, the Company must consult with and, if necessary, seek advice from the compliance adviser on a timely basis in the following circumstances:

- before the publication of any regulatory announcement, circular or financial report;
- where a transaction, which might be a notifiable or connected transaction, is contemplated including share issues, sales or transfers of treasury shares and share repurchases;
- where we propose to apply 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
- where the [**REDACTED**] makes an inquiry of us in respect of unusual price movement and [**REDACTED**] volume or other issues under Rule 13.10 of the Listing Rules.

The terms of appointment of the compliance adviser will commence on the [**REDACTED**] and end on the date on which the Company distributes its annual report in respect of its financial results for the first full financial year commencing after the [**REDACTED**].

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [**REDACTED**] and the conversion of our Unlisted Shares to H Shares assuming the [**REDACTED**] is not exercised, the following persons will have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed to us and the [**REDACTED**] under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, directly or indirectly interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company:

		Immediately following the [REDACTED] (assuming the [REDACTED] is not exercised)		
Name of Shareholder	**Nature of Interest**	**Number of Shares[1]**	**Approximate percentage of shareholding in Unlisted Shares/H Shares[2]**	**Approximate percentage of shareholding in our total share capital[2]**
Aleyuan Inc.	Beneficial owner; Interest held jointly with another person	[**REDACTED**] Unlisted Shares	[**REDACTED**]%	[**REDACTED**]%
		[**REDACTED**] H Shares	[**REDACTED**]%	
Dr. Gavin Xia[3]	Beneficial owner; Interest in controlled corporations; Interest held jointly with another person	[**REDACTED**] Unlisted Shares	[**REDACTED**]%	[**REDACTED**]%
		[**REDACTED**] H Shares	[**REDACTED**]%	
AleyuanGX[3]	Beneficial owner; Interest in controlled corporations; Interest held jointly with another person	[**REDACTED**] Unlisted Shares	[**REDACTED**]%	[**REDACTED**]%
		[**REDACTED**] H Shares	[**REDACTED**]%	
Dr. Tian[3]	Beneficial owner; Interest in controlled corporations; Interest held jointly with another person	[**REDACTED**] Unlisted Shares	[**REDACTED**]%	[**REDACTED**]%
		[**REDACTED**] H Shares	[**REDACTED**]%	
AleyuanJT[3]	Beneficial owner; Interest in controlled corporations; Interest held jointly with another person	[**REDACTED**] Unlisted Shares	[**REDACTED**]%	[**REDACTED**]%
		[**REDACTED**] H Shares	[**REDACTED**]%	
Aleyuan Limited[3]	Beneficial owner; Interest held jointly with another person	[**REDACTED**] Unlisted Shares	[**REDACTED**]%	[**REDACTED**]%
		[**REDACTED**] H Shares	[**REDACTED**]%	
Yangzhou Liyue[3]	Beneficial owner; Interest held jointly with another person	[**REDACTED**] Unlisted Shares	[**REDACTED**]%	[**REDACTED**]%
		[**REDACTED**] H Shares	[**REDACTED**]%	

		Immediately following the [REDACTED] (assuming the [REDACTED] is not exercised)		
Name of Shareholder	Nature of Interest	Number of Shares[1]	Approximate percentage of shareholding in Unlisted Shares/H Shares[2]	Approximate percentage of shareholding in our total share capital[2]
Shanghai Chunyuan[3]	Beneficial owner; Interest held jointly with another person	[REDACTED] Unlisted Shares	[REDACTED]%	[REDACTED]%
		[REDACTED] H Shares	[REDACTED]%	
Ms. Wang Yun[3]	Beneficial owner; Interest held jointly with another person	[REDACTED] Unlisted Shares	[REDACTED]%	[REDACTED]%
		[REDACTED] H Shares	[REDACTED]%	
Dr. Zhang Hua ding[3]	Beneficial owner; Interest held jointly with another person	[REDACTED] Unlisted Shares	[REDACTED]%	[REDACTED]%
		[REDACTED] H Shares	[REDACTED]%	
Dr. Shu Chutian[3]	Interest in controlled corporations	[REDACTED] Unlisted Shares	[REDACTED]%	[REDACTED]%
		[REDACTED] H Shares	[REDACTED]%	
Shanghai Yuanyue[3]	Beneficial owner	[REDACTED] Unlisted Shares	[REDACTED]%	[REDACTED]%
		[REDACTED] H Shares	[REDACTED]%	
Guangxi Tencent[4]	Beneficial owner	[REDACTED] Unlisted Shares	[REDACTED]%	[REDACTED]%
		[REDACTED] H Shares	[REDACTED]%	
Tencent Holdings Limited[4]	Interest in controlled corporations	[REDACTED] Unlisted Shares	[REDACTED]%	[REDACTED]%
		[REDACTED] H Shares	[REDACTED]%	
Yangzhou Guojin Libang[5]	Beneficial owner	[REDACTED] Unlisted Shares	[REDACTED]%	[REDACTED]%
		[REDACTED] H Shares	[REDACTED]%	
Yangzhou GJTZ[5]	Interest in controlled corporations	[REDACTED] Unlisted Shares	[REDACTED]%	[REDACTED]%
		[REDACTED] H Shares	[REDACTED]%	

		Immediately following the [REDACTED] (assuming the [REDACTED] is not exercised)		
Name of Shareholder	**Nature of Interest**	**Number of Shares[1]**	**Approximate percentage of shareholding in Unlisted Shares/H Shares[2]**	**Approximate percentage of shareholding in our total share capital[2]**
LAV Delta Limited[6]	Beneficial owner	[**REDACTED**] Unlisted Shares	[**REDACTED**]%	[**REDACTED**]%
		[**REDACTED**] H Shares	[**REDACTED**]%	
Dr. Shi[6]	Interest in controlled corporation	[**REDACTED**] Unlisted Shares	[**REDACTED**]%	[**REDACTED**]%
		[**REDACTED**] H Shares	[**REDACTED**]%	
QC Six Limited[7]	Beneficial owner	[**REDACTED**] Unlisted Shares	[**REDACTED**]%	[**REDACTED**]%
		[**REDACTED**] H Shares	[**REDACTED**]%	
Ying Du[7]	Interest in controlled corporation	[**REDACTED**] Unlisted Shares	[**REDACTED**]%	[**REDACTED**]%
		[**REDACTED**] H Shares	[**REDACTED**]%	
Marietta Wu[7]	Interest in controlled corporation	[**REDACTED**] Unlisted Shares	[**REDACTED**]%	[**REDACTED**]%
		[**REDACTED**] H Shares	[**REDACTED**]%	
Stella Xu[7]	Interest in controlled corporation	[**REDACTED**] Unlisted Shares	[**REDACTED**]%	[**REDACTED**]%
		[**REDACTED**] H Shares	[**REDACTED**]%	
Mr. Lin Lijun[8]	Interest in controlled corporation	[**REDACTED**] Unlisted Shares	[**REDACTED**]%	[**REDACTED**]%
		[**REDACTED**] H Shares	[**REDACTED**]%	
Dr. Chen Fei[9]	Interest in controlled corporation	[**REDACTED**] Unlisted Shares	[**REDACTED**]%	[**REDACTED**]%
		[**REDACTED**] H Shares	[**REDACTED**]%	

Notes:

(1) The letter "L" denotes the person's long position in the Shares.

(2) The calculation is based on the total number of [**REDACTED**] Unlisted Shares and [**REDACTED**] H Shares in issue immediately after completion of the [**REDACTED**] since [**REDACTED**] Unlisted Shares will be converted into H Shares and [**REDACTED**] H Shares will be [**REDACTED**] pursuant to the [**REDACTED**], assuming that the [**REDACTED**] is not exercised.

(3) Pursuant to the Onshore AIC Agreement, the AIC Parties, namely Aleyuan Inc., Dr. Gavin Xia, AleyuanGX, Dr. Tian, AleyuanJT, Aleyuan Limited, Shanghai Chunyuan, Yangzhou Liyue, Ms. Wang Yun and Dr. Zhang Huading, have agreed to act in concert at Shareholders' and/or Board meeting of our Company. See "History, Development and Corporate Structure — Concert Party Agreements" in this Document for further details. As such, by virtue of the SFO, the AIC Parties are deemed to be interested in Shares that other AIC Party is interested in.

In addition, as of the Latest Practicable Date, AleyuanGX, an AIC Party and a company wholly-owned by Dr. Gavin Xia, was the general partner of Shanghai Yuanyue, and held all voting share in Fortuna and BCeGFR. As such, by virtue of the SFO, each of Dr. Gavin Xia and AleyuanGX is deemed to be interested in Shares held by Shanghai Yuanyue, Fortuna and BCeGFR.

As of the Latest Practicable Date, the general partner of Shanghai Chunyuan was Dr. Shu Chutian. As such, by virtue of the SFO, Dr. Shu Chutian was deemed to be interested in Shares held by Shanghai Chunyuan.

(4) As of the Latest Practicable Date, Guangxi Tencent Venture Capital Co., Ltd. (廣西騰訊創業投資有限公司) ("**Guangxi Tencent**") was a wholly-owned subsidiary of Shenzhen Tencent Ruijian Investment Co., Ltd. (深圳市騰訊睿見投資有限公司) ("**Tencent Ruijian**"), which is a subsidiary of Tencent Holdings Limited ("**Tencent**"), a company listed on the Main Board of the Stock Exchange, stock codes: 700.HK (HKD counter) and 80700.HK (RMB counter). By virtue of the SFO, each of Tencent and Tencent Ruijian was deemed to be interested in the Shares held by Guangxi Tencent, respectively.

As of the Latest Practicable Date, Perfect Ten Holding Limited was a company wholly-owned by TPP Fund II, L.P., the general partner of which was TPP GP II, Ltd, which was a subsidiary of Tencent. As such, by virtue of the SFO, Tencent was deemed to be interested in the Shares held by Perfect Ten Holding Limited.

(5) As of the Latest Practicable Date, the general partner of Yangzhou Guojin Libang Venture Capital Fund (Limited Partnership) (揚州國金禮邦創業投資基金(有限合夥)) ("**Yangzhou Guojin Libang**") was Yangzhou Venture Capital Co., Ltd. (揚州市創業投資有限公司) ("**Yangzhou VC**"), which was wholly owned by Yangzhou Modern Financial Investment Group Co., Ltd. (揚州市現代金融投資集團有限責任公司) an indirect wholly-owned subsidiary of Yangzhou Guojin Investment Group Co., Ltd. (揚州市國金投資集團有限公司)) ("**Yangzhou GJTZ**"), a company owned as to 70.78% by Yangzhou Municipal Finance Bureau (揚州市財政局). In addition, as of the Latest Practicable Date, the general partner of Yangzhou Guojin Emerging Industry Investment Fund (Limited Partnership) (揚州市國金新興產業投資基金合夥企業(有限合夥)) was also Yangzhou VC.

As such, by virtue of the SFO, each of Yangzhou Municipal Finance Bureau, Yangzhou Modern Financial Investment Group Co., Ltd., Yangzhou GJTZ and Yangzhou Municipal Finance Bureau was deemed to the interested in Shares held by each of Yangzhou Guojin Libang and Yangzhou Guojin Emerging Industry Investment Fund (Limited Partnership).

(6) As of the Latest Practicable Date, LAV Delta Limited is wholly owned by LAV Biosciences Fund IV, L.P. ("**LAV IV**"). The general partner of LAV IV is LAV GP IV, L.P., whose general partner is LAV Corporate IV GP, Ltd., a Cayman exempted company wholly owned by Dr. Shi. As such, by virtue of the SFO, each of Dr. Shi, LAV Corporate IV GP, Ltd., LAV GP IV, L.P. and LAV IV was deemed to be interested in the Shares held by LAV Delta Limited.

As of the Latest Practicable Date, LAV Orchid Limited is wholly owned by LAV Fund VI, L.P. ("**LAV VI**"). The general partner of LAV VI is LAV GP VI, L.P., whose general partner is LAV Corporate VI GP, Ltd., a Cayman exempted company wholly owned by Dr. Shi. As such, by virtue of the SFO, each of Dr. Shi, LAV Corporate VI GP, Ltd., LAV GP VI, L.P. and LAV VI was deemed to be interested in the Shares held by LAV Orchid Limited.

LAV Efficacy Limited is wholly owned by LAV Fund VI Opportunities, L.P. ("**LAV VI Opportunities**"). The general partner of LAV VI Opportunities is LAV GP VI Opportunities, L.P., whose general partner is LAV Corporate VI GP Opportunities, Ltd., a Cayman exempted company wholly owned by Dr. Shi. As such, by virtue of the SFO, each of Dr. Shi, LAV Corporate VI GP Opportunities, Ltd., LAV GP VI Opportunities, L.P. and LAV VI Opportunities was deemed to be interested in the Shares held by LAV Efficacy Limited.

(7) As of the Latest Practicable Date, QC Six Limited was wholly owned by Quan Venture Fund II, L.P., whose general partners comprises Ying Du, Marietta Wu and Stella Xu. As such, by virtue of the SFO, each of Ying Du, Marietta Wu, Stella Xu and Quan Venture Fund II, L.P. was deemed to be interested in the Shares held by QC Six Limited.

(8) As of the Latest Practicable Date, Shanghai Tanying Investment Partnership Enterprise (Limited Partnership) (上海檀英創業投資合夥企業有限合夥) ("**Shanghai Tanying**") was controlled and managed by its general partner, Shanghai Zhengxingu Investment Management Co., Ltd. (上海正心谷投資管理有限公司) ("**Shanghai Loyal Valley**") which was in turn controlled by Mr. Lin. The sole limited partner of Shanghai Tanying was Shanghai Lejin Investment Partnership (Limited Partnership) (上海樂進投資合夥企業有限合夥)) ("**Shanghai Lejin**"), which held approximately 99.99% of its partnership interest and was also controlled by Shanghai Loyal Valley as its general partner. As such, by virtue of the SFO, each of Mr. Lin, Shanghai Loyal Valley, Shanghai Lejin and Shanghai Tanying was deemed to be interested in the Shares held by Shanghai Tanying.

As of the Latest Practicable Date, Advantage Fund III LP ("**Loyal Valley Fund III**") was a private equity fund whose general partner of which was Loyal Valley Capital Advantage Fund III Limited, which was ultimately controlled by Mr. Lin. As such, by virtue of the SFO, each of Mr. Lin and Loyal Valley Capital Advantage Fund III Limited was deemed to be interested in the Shares held by Loyal Valley Fund III.

Shanghai Jishi Lemei Private Equity Investment Fund Partnership (Limited Partnership) (上海濟世樂美私募投資基金合夥企業(有限合夥)) ("**Shanghai Jishi Lemei**") was a limited partnership whose general partner is Xiamen Zhengxincheng Enterprise Management Consulting Partnership (Limited Partnership) (廈門正心誠企業管理諮詢合夥企業(有限合夥)) ("**Xiamen Zhengxincheng**"), which was ultimately controlled by Mr. Lin. As such, by virtue of the SFO, each of Mr. Lin and Xiamen Zhengxincheng was deemed to be interested in the Shares held by Shanghai Jishi Lemei.

(9) As of the Latest Practicable Date, the general partner of Suzhou Lirui Equity Investment Center (Limited Partnership) (蘇州禮瑞股權投資中心(有限合夥)) ("**Suzhou Lirui**") was Shanghai Liyi Investment management Partnership (Limited Partnership) (上海禮貽投資管理合夥企業(有限合夥)), the general partner of which was Shanghai Liyao Investment Management Co., Ltd. (上海禮曜投資管理有限公司) ("**Shanghai Liyao**"), which is in turn wholly owned by Dr. Chen Fei.

In addition, as of the Latest Practicable Date, the general partner of Suzhou Lirun Equity Investment Center (Limited Partnership) (蘇州禮潤股權投資中心(有限合夥)) ("**Suzhou Lirun**") was Shanghai Likun Enterprise Management Partnership (Limited Partnership)* (上海禮堃企業管理合夥企業(有限合夥)), the general partner of which was also Shanghai Liyao.

As such, by the virtue of the SFO, each of Dr. Chen Fei and Shanghai Liyao was deemed to be interested in the Shares held by each of Suzhou Lirui and Suzhou Lirun.

Save as disclosed above and the section headed "Appendix V — Statutory and General Information — Further Information about our Directors, Senior Management and Substantial Shareholders", our Directors are not aware of any person who will, immediately following completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised), have any interest and/or short position in the Shares or underlying Shares of our Company which will be required to be disclosed to our Company and the [**REDACTED**] pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company or any other member of our Group.

This section presents certain information regarding our share capital before and upon completion of the [**REDACTED**].

BEFORE THE COMPLETION OF THE [REDACTED]

As of the Latest Practicable Date, the registered capital of our Company was RMB283,096,831, comprising 283,096,831 Unlisted Shares of nominal value RMB1.00 each.

UPON COMPLETION OF THE [REDACTED]

Immediately following the completion of the [**REDACTED**] and the conversion of certain Unlisted Shares into H Shares, assuming that the [**REDACTED**] is not exercised, the issued share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate Percentage of the Total Share Capital of our Company
Unlisted Shares in issue	[**REDACTED**]	[**REDACTED**]%
H Share to be converted from Unlisted Shares	[**REDACTED**]	[**REDACTED**]%
H Shares to be issued under the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Total	[**REDACTED**]	**100.00%**

Immediately following completion of the [**REDACTED**] and the conversion of certain Unlisted Shares into H Shares, assuming the [**REDACTED**] is fully exercised, the issued share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate Percentage of the Total Share Capital of our Company
Unlisted Shares in issue	[**REDACTED**]	[**REDACTED**]%
H Share to be converted from Unlisted Shares	[**REDACTED**]	[**REDACTED**]%
H Shares to be issued under the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Total	[**REDACTED**]	**100.00%**

RANKING

Upon completion of the [**REDACTED**], the Shares will consist of H Shares and Unlisted Shares. H Shares and Unlisted Shares are all ordinary Shares in the share capital of our Company. However, apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai — Hong Kong Stock Connect or the Shenzhen — Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed for by or traded between legal or natural persons of the PRC.

Unlisted Shares and H Shares will rank *pari passu* with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this Document. All dividends in respect of the H Shares are to be paid by us in Hong Kong dollars or in the form of H Shares.

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

According to the regulations issued by the CSRC, the holders of our Unlisted Shares may, at their own option, authorize the Company to apply to the CSRC for conversion of their respective Unlisted Shares to H Shares, and such converted Shares may be listed and traded on an overseas stock exchange provided that the required filings with the securities regulatory authorities of the State Council for the conversion, listing and trading of such converted Shares have been completed. Additionally, such conversion, trading and listing shall meet any requirement of internal approval process and in all respects comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange. Save as disclosed in this Document and to the best knowledge of our Directors, we are not aware of the intention of such existing Shareholders to convert their Unlisted Shares.

If any of the Unlisted Shares are to be converted, [**REDACTED**] and [**REDACTED**] as H Shares on the Stock Exchange, the filings with the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange are necessary for such conversion. Based on the procedures for the conversion of Unlisted Shares into H Shares as set forth below, we will apply for the [**REDACTED**] of all or any portion of the Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion after the [**REDACTED**] to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the [**REDACTED**]. As the [**REDACTED**] of additional Shares after the [**REDACTED**] on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it does not require such prior [**REDACTED**] for [**REDACTED**] at the time of our [**REDACTED**] in Hong Kong. No class Shareholder voting is required for the conversion of such Shares or the [**REDACTED**] and [**REDACTED**] of such converted Shares on an overseas stock exchange. Any [**REDACTED**] for [**REDACTED**] of the converted shares on the Stock Exchange after our initial [**REDACTED**] is subject to prior notification by way of announcement to inform our Shareholders and the [**REDACTED**] of any proposed conversion.

After all the requisite filings have been completed and approvals have been obtained, the relevant Unlisted Shares will be withdrawn from the Unlisted Share register, and our Company will re-register such Shares on the [**REDACTED**] maintained in Hong Kong and instruct the [**REDACTED**] to issue H Share certificates. Registration on the [**REDACTED**] of our Company will be on the conditions that (i) the [**REDACTED**] lodges with the Stock Exchange a letter confirming the entry of the relevant H Shares on the [**REDACTED**] and the due dispatch of H Share certificates; and (ii) the admission of the H Shares to be [**REDACTED**] on the Stock Exchange complies with the Listing Rules and the [**REDACTED**] and the [**REDACTED**] in force from time to time.

Until the converted Shares are re-registered on the [**REDACTED**] of our Company, such Shares would not be [**REDACTED**] as H Shares. For details of our existing Shareholders' proposed conversion of Unlisted Shares into H Shares, see "History, Development and Corporate Structure — Capitalization".

TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

Pursuant to the PRC Company Law, our Shares issued prior to the [**REDACTED**] shall not be transferred within one year from the [**REDACTED**].

Shares transferred by our Directors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company unless otherwise permitted by applicable laws and regulations. The Shares that the aforementioned persons hold in our Company cannot be transferred within half a year after they leave their positions as Directors and members of the senior management in our Company.

REGISTRATION OF SHARES NOT LISTED ON AN OVERSEAS STOCK EXCHANGE

According to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) and Detailed Rules for the Implementation of Registration and Custody Business of Non-Overseas Listed Shares of Overseas Listed Companies by China Securities Depository and Clearing Corporation Limited (《中國證券登記結算有限責任公司境外上市公司非境外上市股份登記存管業務實施細則》), our Company is required to register and deposit our Shares that are not listed on the overseas stock exchange with the China Securities Depository and Clearing Corporation after the [**REDACTED**].

SHAREHOLDERS' GENERAL MEETING

See "Appendix IV — Summary of Articles of Association" for details of circumstances under which our general Shareholders' meeting is required.

You should read the following discussion and analysis with our consolidated financial information, including the notes thereto, included in the Accountants' Report in Appendix I to this Document. Our consolidated financial information has been prepared in accordance with International Financial Reporting Standards, which may differ in material aspects from generally accepted accounting principles in other jurisdictions. You should read the entire Accountants' Report and not merely rely on the information contained in this section.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in the sections headed "Risk Factors" and "Business" in this Document.

For the purpose of this section, unless the context otherwise requires, references to the years of 2024 and 2025 refer to our financial year ended December 31 of such year. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis. Discrepancies between totals and sums of amounts listed in this section in any table or elsewhere in this Document may be due to rounding.

OVERVIEW

Founded in 2018, we are a biopharmaceutical company with the broadest drug candidates in terms of renal indication coverage globally, according to CIC. Starting from hyperphosphatemia and now encompassing a wide spectrum of renal diseases, we offer renal therapeutics to elevate the current standard of care and address unmet medical needs of patients suffering from severe renal diseases.

BASIS OF PREPARATION

The historical financial information and interim financial information have been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board ("**IASB**"). All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been early adopted by us in the preparation of the historical financial information throughout the Track Record Period. The historical financial information has been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value. For details, see Note 2.1 to the Accountants' Report set out in Appendix I to this Document.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations and financial conditions have been, and are expected to continue to be, principally affected by a number of factors, many of which may be beyond our control. A discussion of the key factors is set out below.

Our Ability to Successfully Develop and Commercialize Approved Product and Product Candidates

Our business prospects and results of operations depend on our ability to successfully develop, as well as our receipt of regulatory approval for and successful commercialization of, multiple product candidates. During the Track Record Period, the sales of Mircera® served as an important source of our revenue. However, our ability to generate revenue from our product candidates, especially those that are not approved for commercial sales, to cover research and development and other expenses will depend on multiple factors, including but not limited to our ability to obtain regulatory approvals, secure adequate manufacturing capacity, manage a sufficient and capable sales team, collaborate with competent third-party partners, as well as making our products accessible to, affordable for and accepted by patients.

Our Cost Structure

Our results of operations are significantly affected by our cost structure, of which the costs of sales for Mircera®, in-license payments for certain product candidates and our research and development expenses are major components. We also expect our research and development expenses to continue to be a major component in our cost structure. We expect our cost of sales and selling expenses to increase as we start to scale up our commercialized program and our administrative expenses to increase as we build a support team to help us navigate challenges in the research and development, CMC and commercialization activities with respect to our product candidates.

Our Ability to Attract and Maintain Strategic Partnerships

Our results of operations have been and may continue to be affected by our strategic collaboration and licensing arrangements with business partners. For instance, in October 2023, we entered into a supply and marketing agreement with Roche. In December 2023, we exercised the option and obtained the global development and commercialization rights for AP306. In December 2025, we have entered into a collaboration agreement with regard to the development, manufacturing and commercialization of AP306. For details on the background of such agreements, see "Business — Major Collaboration Arrangements". These agreements and collaborations will not only help us maximize the clinical and commercial value of our portfolio, but also drive our long-term growth. Building on the success of our existing collaborations, we are actively exploring new partnership opportunities for our pipeline candidates around the globe. The success of these collaborations and agreements, together with the associated payments, royalties and other fees in relation to our existing and potential future collaborations, will impact our results of operations.

Funding for Our Operations

During the Track Record Period, we funded our operations primarily through equity financing, bank borrowings as well as our sales of commercialized product. Going forward, in the event of the further successful commercialization of our product candidates in addition to our current commercialized product, we expect to primarily fund our operations with revenue generated from sales of the commercialized product and product candidates. However, with the continuing expansion of our business, we may require further funding through public or private offerings, debt financing, collaboration and licensing arrangements or other sources. Any fluctuation in the funding for our operations will impact our cash flow and our results of operations.

Potential Competition in A Growing Market

Ongoing development of new therapies may bring more effective and safer treatments for kidney diseases. We may still face potential competition from global and China-based pharmaceutical and biotechnology companies, in particular companies which are expected to market products that may compete directly or indirectly with our product candidates. Our commercial opportunities may be adversely impacted if our competitors develop and commercialize drugs that have potential competitiveness.

MATERIAL ACCOUNTING POLICY INFORMATION AND SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to accounting items. Estimates and judgments are continually re-evaluated and are based on historical experience and other factors, including industry practices and expectations of future events that we believe to be reasonable under the circumstances. Our material accounting policy information, which is important for an understanding of our financial conditions and results of operations, are set forth in detail in note 2.3 to the Accountants' Report set out in Appendix I to this Document.

SUMMARY OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The table below sets forth our consolidated statements of profit or loss and other comprehensive income for the years indicated derived from the Accountants' Report included in Appendix I to this Document:

	For the Year Ended December 31,	
	2024	2025
	(RMB in thousands)	
REVENUE	6,525	30,556
Cost of sales	(4,140)	(17,110)
Gross profit	**2,385**	**13,446**
Other income	4,534	7,335
Selling expenses	(15,171)	(36,337)
Administrative expenses	(62,113)	(251,295)
Research and development expenses	(235,367)	(372,574)
Other (losses)/gains	(22)	974
Share of the profit or loss of an associate and a joint venture	2	(2,821)
Finance costs	(29,378)	(110,547)
LOSS BEFORE TAX	**(335,130)**	**(751,819)**
Income tax expense	–	–
LOSS FOR THE YEAR	**(335,130)**	**(751,819)**
OTHER COMPREHENSIVE (LOSS)/INCOME		
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	20,428	(2,286)
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX	20,428	(2,286)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(314,702)**	**(754,105)**
Loss attributable to:		
Owners of the parent	(326,026)	(750,038)
Non-controlling interests	(9,104)	(1,781)
	(335,130)	(751,819)
Total comprehensive loss attributable to:		
Owners of the parent	(305,598)	(752,324)
Non-controlling interests	(9,104)	(1,781)
	(314,702)	(754,105)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT		
Basic and diluted (RMB)	(1.20)	(3.07)

Non-IFRS Measure

To supplement our consolidated statements of profit or loss and other comprehensive income which are presented in accordance with IFRS, we also use adjusted net loss (non-IFRS measure), which is not required by, or presented in accordance with, IFRS. We believe that the presentation of the non-IFRS measure when shown in conjunction with the corresponding IFRS measures provides useful information to management and [**REDACTED**] in facilitating a comparison of our operating performance from year to year.

We define adjusted net loss (non-IFRS measure) as loss for the year adjusted by adding back (i) interest on redemption liabilities on ordinary shares, (ii) share-based payment and (iii) listing expense. Interest on redemption liabilities on ordinary shares represents the interest accrued on the obligation to repurchase certain of our Shares held by certain Pre-[**REDACTED**] shareholders, which were terminated in September 2025 and such redemption liabilities were credited to other reserve. Share-based payment represents expenses arising from granting share incentives to senior management and selected employees, which is non-cash in nature. [**REDACTED**] expense was incurred in relation to the [**REDACTED**]. The use of the non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for, or superior to, analysis of our results of operations or financial conditions as reported under IFRS. In addition, the non-IFRS measure may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures presented by other companies.

The following table reconciles our non-IFRS measure for the years presented with the nearest measures prepared in accordance with IFRS Accounting Standards.

	For the Year Ended December 31,	
	2024	2025
	(RMB in thousands)	
Loss for the year	**(335,130)**	**(751,819)**
Add back:		
Interest on redemption liabilities on ordinary shares	27,720	90,781
Share-based payment compensation	21,900	260,761
[**REDACTED**] expense	[**REDACTED**]	[**REDACTED**]
Adjusted net loss (non-IFRS measure)	**(285,510)**	**(380,542)**

DESCRIPTION OF SELECTED COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Revenue

In 2024 and 2025, we recorded revenue in the amount of RMB6.5 million and RMB30.6 million, respectively. Our revenue during the Track Record Period was derived from our sales of Mircera®. We have achieved a steady increase in the revenue from the sales of Mircera®.

Cost of Sales

During the Track Record Period, our cost of sales consisted of (i) the procurement costs of Mircera® and (ii) the amortization of intangible assets in relation to Mircera®. The following table sets forth a breakdown of our cost of sales, in an absolute amount and as a percentage of our total cost of sales, for the years indicated.

	For the Year Ended December 31,			
	2024		2025	
	RMB	*%*	*RMB*	*%*
	(RMB in thousands, except for percentages)			
Procurement cost	3,541	85.5	16,079	94.0
Amortization of intangible assets in relation to our in-licensed commercialized product	599	14.5	1,031	6.0
Total	**4,140**	**100.0**	**17,110**	**100.0**

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales. In 2024 and 2025, our gross profit was RMB2.4 million, and RMB13.4 million, respectively.

In 2024 and 2025, our gross profit margins were 36.6% and 44.0%, respectively. The increase in gross profit margin during the Track Record Period was primarily attributable to lower per unit amortization of intangible assets in relation to our in-licensed commercialized product as we recorded increasing sales.

Other Income

During the Track Record Period, our other income primarily consisted of (i) bank interest income from deposits; (ii) government grants, including, among others, employment subsidies, rent subsidies and special project grants; (iii) consulting income, which mainly represented revenue from our technical consulting and research and development services for other biotechnology companies and (iv) others, which mainly consisted of the refunds of income tax handling fees. The following table sets forth a breakdown of our other income, in an absolute amount and as a percentage of our total other income, for the years indicated.

	For the Year Ended December 31,			
	2024		2025	
	RMB	*%*	*RMB*	*%*
	(RMB in thousands, except for percentages)			
Bank interest income	570	12.6	1,432	19.5
Government grants	3,365	74.2	5,499	75.0
Consulting income	44	1.0	–	–
Others	555	12.2	404	5.5
Total	**4,534**	**100.0**	**7,335**	**100.0**

Selling Expenses

During the Track Record Period, our selling expenses were consisted of (i) employee compensation, including wages for salespersons, payment of social insurance and housing provident funds, employee welfare and share-based payments; (ii) academic promotional fees, which covered sales and marketing activities to raise academic and professional awareness of our commercialized product and (iii) other expenses. The following table sets forth a breakdown of our selling expenses, in an absolute amount and as a percentage of our total selling expenses, for the years indicated.

	For the Year Ended December 31,			
	2024		2025	
	RMB	*%*	*RMB*	*%*
	(RMB in thousands, except for percentages)			
Employee compensation	10,524	69.4	24,940	68.7
Academic promotional fees	4,301	28.3	10,916	30.0
Other expenses	347	2.3	481	1.3
Total	**15,171**	**100.0**	**36,337**	**100.0**

Administrative Expenses

During the Track Record Period, our administrative expenses consisted of (i) employee compensation, including wages for administrative personnel, payment of social insurance and housing provident funds, employee welfare and share-based payments, (ii) professional service fees, which mainly included consulting fees, attorney's fees, fees paid to third parties for security services and [**REDACTED**] expenses, (iii) depreciation and amortization expenses, (iv) utilities and office expenses, (v) taxes and surcharges and (vi) others. The following table sets forth a breakdown of our administrative expenses, in an absolute amount and as a percentage of our total administrative expenses, for the years indicated.

	For the Year Ended December 31,			
	2024		2025	
	RMB	*%*	*RMB*	*%*
	(RMB in thousands, except for percentages)			
Employee compensation	45,353	73.0	202,986	80.8
Professional service fees	7,046	11.3	29,454	11.7
Depreciation and amortization expenses	2,046	3.3	4,114	1.6
Utilities and office expenses	1,583	2.5	5,270	2.1
Taxes and surcharges	2,195	3.5	3,467	1.4
Others	3,890	6.4	6,004	2.4
Total	**62,113**	**100.0**	**251,295**	**100.0**

Research and Development Expenses

During the Track Record Period, our research and development expenses consisted of (i) outsourced research and development costs, which mainly consisted of fees paid to commission third-party suppliers to conduct relevant research and development and CMC activities, (ii) employee compensation, including wages for research and development personnel, payment of social insurance and housing provident funds, employee welfare and share-based payments, (iii) depreciation and amortization expenses and (iv) others, which primarily encompassed professional service fees paid to external advisers and attorneys, and office expenses. The following table sets forth a breakdown of our research and development expenses, in an absolute amount and as a percentage of our total research and development expenses, for the years indicated.

	For the Year Ended December 31,			
	2024		2025	
	RMB	*%*	*RMB*	*%*
	(RMB in thousands, except for percentages)			
Outsourced research and development costs	139,898	59.4	159,648	42.9
Employee compensation	69,032	29.3	153,668	41.2
Depreciation and amortization expenses	9,446	4.0	36,835	9.9
Others	16,991	7.3	22,423	6.0
Total	**235,367**	**100.0**	**372,574**	**100.0**

The following table sets forth a breakdown of our research and development expenses by product, in an absolute amount and as a percentage of our total research and development expenses, for the years indicated.

	For the Year Ended December 31,			
	2024		2025	
	RMB	*%*	*RMB*	*%*
	(RMB in thousands, except for percentages)			
Core Product	139,800	59.4	205,600	55.2
Other product candidates	95,567	40.6	166,974	44.8
Total	**235,367**	**100**	**372,574**	**100.0**

Share of Profit or Loss of an Associate and a Joint Venture

In December 2025, we entered into the R1 Agreement with R1 Therapeutics, Inc. with regard to the development, manufacturing and commercialization of AP306. Pursuant to R1 Agreement, R1 Therapeutics has become our associate. We thus recorded our share of loss passed through from R1 Therapeutics of RMB2.8 million in 2025. For details, see "Business — Major Collaboration Arrangements — Collaboration Arrangement with R1 Therapeutics."

Finance Costs

During the Track Record Period, our finance costs consisted of (i) interest on redemption liabilities on ordinary shares, which represented the interest accrued on the obligation to repurchase certain of our Shares held by certain Pre-[**REDACTED**] shareholders, (ii) interest on bank borrowings, mainly including interests on loans relating to our construction projects in Yangzhou, which were offset by interest capitalized related to construction projects in Yangzhou, and (iii) interest on lease liabilities with regard to, among others, the lease of research laboratories and our offices. The following table sets forth a breakdown of our finance costs, in an absolute amount and as a percentage of our total finance costs, for the years indicated.

	For the Year Ended December 31,			
	2024		2025	
	RMB	*%*	*RMB*	*%*
	(RMB in thousands, except for percentages)			
Interest on redemption liabilities on ordinary shares	27,720	94.4	90,781	82.1
Interest on bank borrowings	13,569	46.2	19,523	17.7
Interest on lease liabilities	387	1.3	243	0.2
Total interest expense on financial liabilities not at fair value through profit or loss	41,676	141.9	110,547	100.0
Less: interest capitalized	(12,298)	(41.9)	–	–
Total	**29,378**	**100.0**	**110,547**	**100.0**

Taxation

We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which our members are domiciled and operate.

Hong Kong

Our subsidiary in Hong Kong is subject to Hong Kong profits tax at a rate of 16.5%. No Hong Kong profits tax was provided for as we did not generate any assessable profits arising in Hong Kong during the Track Record Period.

Chinese Mainland

The provision for PRC corporate income tax is based on the statutory rate of 25% of the assessable profits of certain PRC subsidiaries of ours as determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on January 1, 2008, except for certain of our subsidiaries in Chinese Mainland which are granted tax concession and are taxed at preferential tax rates.

Pursuant to Caishui [2023] No. 12 "Circular of the Ministry of Finance, the State Administration of Taxation Issued on the Tax Policies for Further Support the Development of Small Low-profit Enterprises and Self-employed Businesses" (財政部稅務總局關于進一步支持小微企業和個體工商戶發展有關稅費政策的公告), certain affiliates, whose annual taxable income is less than RMB1.0 million will be included in the actual taxable income at 25%, based on which the enterprise income tax payable will be calculated at the reduced tax rate of 20%. This policy has taken effect on January 1, 2023 and will expire on December 31, 2027.

Other Regions

We have subsidiaries located in the United States and Australia. For details relating to their taxation-related information, see Note 10 to the Accountants' Report set out in Appendix I to this Document.

YEAR-TO-YEAR COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2024 Compared to Year Ended December 31, 2025

Revenue

Our revenue increased from RMB6.5 million in 2024 to RMB30.6 million in 2025, primarily attributable to the increased sales of Mircera®, supported by greater product awareness, broader hospital coverage, and the increased usage of our commercialized product by patient population.

Cost of sales

Our cost of sales increased from RMB4.1 million in 2024 to RMB17.1 million in 2025 in line with the increase of our sales revenue from Mircera®.

Gross profit and gross profit margin

Our gross profit increased from RMB2.4 million in 2024 to RMB13.4 million in 2025 in line with our revenue increase.

Our gross profit margin increased from 36.6% in 2024 to 44.0% in 2025, as a result of the increased gross profit margin for the sales of Mircera®, mainly attributable to lower per unit amortization of intangible assets in relation to our in-licensed commercialized product, as the amortization was spread over a larger volume of Mircera® sold.

Other income

Our other income increased by RMB2.8 million from RMB4.5 million in 2024 to RMB7.3 million in 2025. The increase was primarily attributable to the increase of government grants, which were released from the deferred income account to increase other income over the expected useful life of the relevant assets as they were put into use in 2025.

Selling expenses

Our selling expenses increased by RMB21.1 million, from RMB15.2 million in 2024 to RMB36.3 million in 2025. The increase was primarily attributable to the expansion of our sales team with the commercialization of Mircera®, which in turn raised employee compensation and increased academic promotional fees in connection with the sales of our commercialized product.

Administrative expenses

Our administrative expenses increased by RMB189.2 million, from RMB62.1 million in 2024 to RMB251.3 million in 2025. The increase was primarily attributable to the increase in share-based payments to our administrative personnel and professional service fees, which mainly included issue costs and external consulting fees.

Research and development expenses

Our research and development expenses increased by 58.3%, or RMB137.2 million, from RMB235.4 million in 2024 to RMB372.6 million in 2025. The increase was primarily attributable to (i) an increase in outsourced research and development costs as we completed the Phase III trial of our AP301 in China and started to enroll patients for our global multi-regional clinical trials for AP301, (ii) the increase of share-based payments to our research and development personnel and (iii) increased CMC expenses for AP306 and AP308.

Finance costs

Our finance costs increased by RMB81.1 million, from RMB29.4 million in 2024 to RMB110.5 million in 2025. The significant increase was primarily attributable to an increase in the interest on redemption liabilities on ordinary shares resulting from the increased accrued interests on the share repurchase obligation in relation to the 2024 Reorganization and Series C shares issued in December 2024.

Loss for the year

For the reasons described above, our loss increased by RMB416.7 million, from RMB335.1 million in 2024 to RMB751.8 million in 2025.

DISCUSSION OF SELECTED ITEMS FROM OUR CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The table below sets forth selected information from our consolidated statements of financial position as of the dates indicated, which has been extracted from the Accountants' Report included in Appendix I to this Document:

	As of December 31,	
	2024	2025
	(RMB in thousands)	
Total non-current assets	**720,364**	**781,216**
Total current assets	**388,776**	**558,716**
Total current liabilities	**1,943,977**	**239,829**

	As of December 31,	
	2024	2025
	(RMB in thousands)	
Net current (liabilities)/assets	**(1,555,201)**	**318,887**
Total non-current liabilities	**506,356**	**596,860**
Total (deficits)/equity	**(1,341,193)**	**503,243**

Pursuant to the supplemental shareholders' agreement dated on September 26, 2025, the general redemption rights granted to the Pre-[**REDACTED**] investors were irrevocably terminated in September 2025, and the redemption liabilities on ordinary shares were terminated and credited to other reserve, resulting in the net liabilities position turning into a net assets position.

Current Assets and Current Liabilities

The following table sets forth our current assets and current liabilities as of the dates indicated:

	As of December 31,		As of April 30,
	2024	2025	2026
			(unaudited)
	(RMB in thousands)		
CURRENT ASSETS			
Inventories	6,118	10,268	12,511
Trade receivables	865	–	811
Prepayments, other receivables and other assets	2,678	17,283	6,603
Amounts due from related parties	13,054	5	–
Financial assets at fair value through profit or loss	–	145,460	50,000
Time deposits with original maturity over three months	22,291	27,375	39,764
Cash and cash equivalents	343,770	358,325	310,987
Total current assets	**388,776**	**558,716**	**420,676**
CURRENT LIABILITIES			
Trade and other payables	199,657	168,937	107,039
Interest-bearing bank borrowings	28,000	–	–
Lease liabilities	3,690	3,691	3,356
Contract liabilities	–	67,201	–
Redemption liabilities on ordinary shares	1,712,630	–	–
Total current liabilities	**1,943,977**	**239,829**	**110,395**
NET CURRENT (LIABILITIES)/ASSETS	**(1,555,201)**	**318,887**	**310,281**

Our net current assets of RMB318.9 million as of December 31, 2025 decreased to net current assets of RMB310.3 million as of April 30, 2026. The change was primarily due to the decrease in total current assets that outweighed the decrease in total current liabilities. The decrease in total current assets was primarily attributable to expenses incurred by our research and development as well as operating activities and the maturity of our structured deposit products. The decrease in total current liabilities was primarily due to (i) the decrease in contract liabilities, as we fulfilled the contract obligations under our contract with R1 Therapeutics and recognized contract liabilities as revenue; and (ii) the decrease of trade and other payables, as we made relevant payments on schedule.

Our net current liabilities RMB1,555.2 million as of December 31, 2024 changed to net current assets of RMB318.9 million as of December 31, 2025. The increase was primarily attributable to the decrease in total current liabilities as well as the increase in total current assets. The increase in total current assets was primarily attributable to the receipt of funds from Series C Investment and the Cross-over Investment. The decrease in total current liabilities was primarily attributable to the decrease in redemption liabilities on ordinary shares because the redemption feature was terminated in September 2025.

Property, Plant and Equipment

The following table sets forth a breakdown of the net carrying amount of our property, plant and equipment as of the dates indicated.

	As of December 31,	
	2024	2025
	(RMB in thousands)	
Buildings	377,694	378,657
Machinery	222,340	208,749
Office equipment	2,888	3,892
Construction in progress	1,241	2,319
Leasehold improvements	5,514	3,063
Electronic devices	411	298
Total	**610,088**	**596,978**

Our property, plant and equipment decreased from RMB610.1 million as of December 31, 2024 to RMB597.0 million as of December 31, 2025, primarily attributable to the depreciation of our property, plant and equipments.

As of December 31, 2025, our property, plant and equipment with a net carrying amount of RMB503.7 million were pledged to secure certain banking loans granted to us.

Investments in an Associate

In December 2025, we entered into the R1 Agreement with R1 Therapeutics with regard to the development, manufacturing and commercialization of AP306. Pursuant to R1 Agreement, R1 Therapeutics has become our associate. As a result, we recorded investments in an associate in an amount of RMB63.4 million as of December 31, 2025. For details, see "Business — Major Collaboration Arrangements — Collaboration Arrangement with R1 Therapeutics."

Prepayments, Other Receivables and Other Assets

Our prepayments, other receivables and other assets primarily consist of (i) prepayment for equipment and research services, (ii) rental deposits for our offices, (iii) value-added tax recoverable, which can be deductible against future VAT tax payables, incurred with the procurement of our assets and research and development services, (iv) other deposits, which represent guaranteed payments for our construction projects, (v) other receivables, and (vi) deferred issue cost. The following table sets forth the components of our prepayments, other receivables and other assets as of the dates indicated.

	As of December 31,	
	2024	2025
	(RMB in thousands)	
Non-current:		
Value-added tax recoverable	72,278	91,305
Prepayment for equipment	4,323	–
Rental deposits	1,480	1,291
Other deposits	600	–
Total	**78,681**	**92,596**
Current:		
Prepayment	2,370	9,748
Deposits	104	843
Other receivables	204	671
Deferred issue cost	–	6,021
Total	**2,678**	**17,283**

The non-current portion of our prepayments, other receivables and other assets increased from RMB78.7 million as of December 31, 2024 to RMB92.6 million as of December 31, 2025, which was mainly attributable to the increase in value-added tax recoverable resulting from the increased procurement of equipment and services.

The current portion of our prepayments, other receivables and other assets increased from RMB2.7 million as of December 31, 2024 and to RMB17.3 million as of December 31, 2025, due to increased prepayments to our MRCT clinical suppliers and deferred issue cost.

Inventories

During the Track Record Period, our inventories consisted entirely of Mircera®. Our inventories were RMB6.1 million and RMB10.3 million as of December 31, 2024 and 2025, respectively, which was in line with our procurement cycle, which is approximately 6 months. As of December 31, 2024, all of our inventories were aged between 181 days to 1 year. As of December 31, 2025, all of our inventories were aged within 180 days.

In 2024 and 2025, our inventory turnover days were 270 and 175 days, respectively. Our inventory turnover day in 2024 was higher because we started the sales of Mircera® in June 2024 while using the entire year for the number of days in the turnover day calculation, rendering the two not directly comparable.

As of April 30, 2026, RMB8.8 million, or 85.8% of our inventories outstanding as of December 31, 2025 had been subsequently sold or utilized.

Trade Receivables

As of December 31, 2024 and 2025, we incurred trade receivables of RMB0.9 million and nil, respectively. Our trade receivables were related to the sales of Mircera®, with a credit term of 30 days. All trade receivables are aged within 90 days.

In 2024 and 2025, our trade receivables turnover days were 24 days and 5 days, respectively.

Amounts Due from Related Parties

As of December 31, 2024 and 2025, we had amounts due from related parties of RMB13.1 million and RMB5 thousand, respectively. The amounts due from related parties decreased from RMB13.1 million as of December 31, 2024 to RMB5 thousand as of December 31, 2025, mainly due to a loan extended to a related party, which was non-trade in nature and had already been settled.

Financial Assets at Fair Value through Profit or Loss

As of December 31, 2024 and 2025, we had financial assets at fair value through profit or loss of nil and RMB145.5 million respectively. Our financial assets at fair value through profit or loss balance as of December 31, 2025 mainly represented structured deposit products, which were issued by banks in Chinese Mainland.

With regard to our financial investments, we have formulated a financially prudent investment policy which aims to generate steady returns while ensuring safety. We have implemented the following treasury policies and internal authorization controls: (i) we follow the principle of prudent investment and select lower-risk short-term investment products from reputable financial institutions; (ii) our Board is responsible for authorizing material investments the amount of which exceed certain percentage of our total assets or certain numerical thresholds; (iii) our management is responsible for making other investment decisions and supervising the investments carried out primarily by our finance department; (iv) our finance department is responsible for carrying out the investment, including promptly analyzing and tracking progress and taking timely measures when risk factors are discovered; and (v) our risk control system implements oversight over the investment; our independent directors and the audit committee also have the right to supervise and inspect the use of our funds.

To the extent that we will have surplus cash that is not required for our short-term working capital purposes, we will continue to consider investing in wealth management products taking into account the considerations above as appropriate to be in our best interest. Our investments in wealth management products after the [**REDACTED**] will be subject to compliance with Chapter 14 of the Listing Rules.

Cash and Cash Equivalents and Time Deposits with Original Maturity over Three Months

As of December 31, 2024 and 2025, we had cash and cash equivalents of RMB343.8 million and RMB358.3 million, respectively. The increase in cash and cash equivalents from RMB343.8 million as of December 31, 2024 to RMB358.3 million as of December 31, 2025 was primarily attributable to funds from Series C Investment and the Cross-over Investment, partially offset by the use of cash to support our operations. As of December 31, 2024 and 2025, we had time deposits with original maturity over three months of RMB22.3 million and RMB27.4 million, respectively. The increase in time deposits was made in accordance with our internal treasury and investment policy for cash management purposes. For an analysis on cash flows during the Track Record Period, see "— Liquidity and Capital Resources."

Trade and Other Payables

The following table sets forth a breakdown of our trade and other payables.

	As of December 31,	
	2024	2025
	(RMB in thousands)	
Current:		
Payables for property, plant and equipment	113,384	49,619
Trade payables	25,880	67,767
Payroll payables	15,935	18,119
Tax payables other than profit tax	2,494	3,205
Other payables	41,964	9,910
Accrued [**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Total	**199,657**	**168,937**
Non-current:		
Other payables	18,595	1,936

The current portion of our trade and other payables decreased from RMB199.7 million as of December 31, 2024 to RMB168.9 million as of December 31, 2025, primarily due to (i) our payment for property, plant and equipment for the construction of our Yangzhou factory and (ii) the decrease in other payables, as a result of settlement of other payables to investors as transitory amounts of short-term loans advanced to us by our existing shareholders were incurred in 2024 to facilitate the 2024 Reorganization. For details, see "History, Development and Corporate Structure — Corporate Development and Major Shareholding Changes — (1) Establishment and historical corporate reorganizations — The Company" in the Document; partially offset by an increase in trade payables, as we received CMC services from certain suppliers but have not paid them because the contractually stipulated settlement dates had not yet been reached. The non-current portion of our trade and other payables represents quality assurance deposits incurred for the construction of our Yangzhou factory, the majority of which had been reclassified as current portion of the other payables.

Our trade payables are non-interest-bearing and are normally settled on 30-to-60-day terms. All trade payables are aged within 1 year.

In 2024 and 2025, Our trade payable turnover days were 61 and 97 days, respectively. We calculate the trade payable turnover days using the average of the opening and ending trade payables balance for the year, divided by the sum of procurement cost and outsourced research and development expenses, multiplied by the number of days for the relevant year. The higher trade payable turnover day in 2025 was primarily attributable to the higher ending trade payables balance, as certain CMC service suppliers have completed their services but are yet to reach the contractually stipulated settlement dates.

As of April 30, 2026, RMB31.1 million, or 45.8% of our trade payables as of December 31, 2025 had been subsequently settled.

Interest-bearing Bank Borrowings

During the Track Record Period, our interest-bearing bank borrowings primarily consisted of secured and unsecured bank loans. The current portion of the bank borrowings were incurred to meet our working capital needs, and the non-current portion of the bank borrowings were incurred to support the construction of our Yangzhou factory. The following table sets forth a breakdown of our interest-bearing bank borrowings as of the dates indicated.

	As of December 31,	
	2024	2025
	(RMB in thousands)	
Bank loans:		
Within 1 year	28,000	–
1 to 5 years	400,000	545,326
Beyond 5 years	45,300	–
Total	**473,300**	**545,326**

Lease Liabilities

As of December 31, 2024 and 2025, our lease liabilities were RMB5.8 million and RMB4.1 million, respectively, primarily attributable to our making of lease payments and the expiration and renewal of lease terms. As of December 31, 2024 and 2025, our leasehold land located in Yangzhou with a net carrying amount of RMB12.3 million and RMB11.9 million were pledged to secure certain banking loans granted to us.

Redemption Liabilities on Ordinary Shares

Our redemption liabilities on ordinary shares represent the redemption liabilities we bore in relation to the ordinary shares we issued during the various rounds of pre-[**REDACTED**] investments. See "History, Development and Corporate Structure — Pre-[**REDACTED**] Investments — Special Rights of the Pre-[**REDACTED**] Investors" for more details. Our redemption liabilities on ordinary shares decreased from RMB1,712.6 million as of December 31, 2024 to nil as of December 31, 2025, primarily due to the irrevocable termination of the general redemption rights granted to the shareholders and the redemption liabilities on ordinary shares were credited to other reserve.

Deferred Income

As of December 31, 2024 and 2025, our deferred income was RMB40.3 million and RMB49.2 million, respectively. The changes in our deferred income were primarily attributable to the receipt of government grants.

LIQUIDITY AND CAPITAL RESOURCES

Overview

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. In addition, we monitor the utilization of borrowings and, from time to time, evaluate the options to renew the borrowings upon expiry based on our actual business requirement. We relied on equity financing, sales of our commercialized product and debt financing as the major sources of liquidity during the Track Record Period.

The following table presents our consolidated cash flow data for the years indicated.

	For the Year Ended December 31,	
	2024	2025
	(RMB in thousands)	
Net cash flows used in operating activities	(249,897)	(287,888)
Net cash flows used in investing activities	(257,410)	(236,822)
Net cash flows from financing activities	787,672	541,716

	For the Year Ended December 31,	
	2024	2025
	(RMB in thousands)	
NET INCREASE IN CASH AND CASH EQUIVALENTS	**280,365**	**17,006**
Cash and cash equivalents at beginning of year	63,149	343,770
Effect of foreign exchange rate changes, net	256	(2,451)
Cash and cash equivalents at end of year	**343,770**	**358,325**

Operating Activities

In 2025, our net cash flows used in operating activities amounted to RMB287.9 million, which was primarily attributable to our loss before tax of RMB751.8 million, as adjusted by certain non-cash and non-operating items, which primarily comprised (i) share-based payment compensation of RMB260.8 million, (ii) finance costs of RMB110.5 million and (iii) depreciation of property, plant and equipment of RMB38.5 million. Such an amount was further offset by changes in working capital, primarily including an increase in trade and other payables of RMB74.1 million, partially offset by an increase in prepayments, other receivables and other assets of RMB32.8 million.

In 2024, our net cash flows used in operating activities amounted to RMB249.9 million, which was primarily attributable to our loss before tax of RMB335.1 million, as adjusted by certain non-cash and non-operating items, which primarily comprised (i) finance costs of RMB29.4 million and (ii) share-based payment compensation of RMB21.9 million. Such amount was further adjusted by changes in working capital, primary including increase in deferred income of RMB30.8 million, partially adjusted by an increase in inventories of RMB6.1 million.

We aim to improve our net operating cash outflow positions through measures such as properly planning our R&D investment based on the progression of the trial phases for our product candidates and prudently engaging in marketing and academic promotional efforts across our pipeline.

Investing Activities

In 2025, our net cash used in investing activities was RMB236.8 million, primarily as a result of purchase of financial assets at fair value through profit or loss of RMB1,091.2 million and partially offset by proceeds from disposal of financial assets at fair value through profit or loss of RMB947.6 million.

In 2024, our net cash used in investing activities was RMB257.4 million, primarily as a result of purchases of items of property, plant and equipment of RMB230.6 million, partially offset by maturity of time deposits with original maturity over three months of RMB8.7 million.

Financing Activities

In 2025, our net cash from financing activities was RMB541.7 million, primarily as a result of (i) capital injection from shareholders of RMB535.8 million, partially offset by repayment of bank and other borrowings of RMB113.0 million.

In 2024, our net cash from financing activities was RMB787.7 million, primarily as a result of (i) capital injection from shareholders of RMB1,344.7 million, and (ii) new bank and other borrowings of RMB384.6 million, partially offset by (i) repayments of loans to related parties of RMB528.8 million and (ii) acquisition of subsidiaries under common control of RMB373.6 million.

CASH OPERATING COSTS

The following table sets forth information on our cash operating costs for the years indicated.

	For the Year Ended December 31,	
	2024	2025
	(RMB in thousands)	
Research and development expenses		
Research and development expenses for Core Product (AP301)	**115,568**	**132,842**
– Outsourced research and development expenses	84,137	95,760
– Staff costs (wage, social insurance, personal taxes and others)	26,807	30,345
– Others[(1)]	4,624	6,738
Research and development expenses for other product candidates	**82,261**	**80,174**
– Outsourced research and development expenses	32,879	34,472
– Staff costs (wage, social insurance, personal taxes and others)	34,133	32,966
– Others[(1)]	15,249	12,735
Purchase of commercialization right and Mircera® products from Roche	**14,567**	**21,023**
Workforce employment costs[(2)]	**38,064**	**52,287**
Product marketing[(3)]	**4,571**	**9,583**
Other significant costs[(4)]	**23,033**	**42,412**
Total	**278,064**	**338,320**

Notes:

(1) Mainly included professional service fees paid to external advisers and attorneys, and office expenses.

(2) Mainly included employee compensation for employees not in the research and development functions.

(3) Mainly included academic promotional fees.

(4) Mainly included administrative expenses other than employee compensation and taxes and surcharges.

WORKING CAPITAL SUFFICIENCY

Our Directors are of the opinion that, taking into account the financial resources available, including cash and cash equivalents, the expected income from our commercialized product and the estimated net [**REDACTED**] from the [**REDACTED**], our cash burn rate as well as scheduled banking facilities repayment, we have sufficient working capital to cover at least 125% of our costs, including research and development expenses, selling expenses and administrative expenses for at least the next 12 months from the date of this Document.

Our cash burn rate refers to the average monthly amount of net cash used in operating activities, capital expenditures and lease payments. Excluding one-off capital expenditures spent on building our manufacturing facilities and assuming an average cash burn rate going forward of 1.4 times the level as of December 31, 2025, we estimate that our cash at bank and on hand and other financial assets as of December 31, 2025 will be able to maintain our financial viability for [**REDACTED**] from December 31, 2025 taking into account the estimated net [**REDACTED**] from the [**REDACTED**]; or we estimate that we will be able to maintain our financial viability for [**REDACTED**] from December 31, 2025 without taking into account the estimated net [**REDACTED**] from the [**REDACTED**]. We will continue to monitor our cash flows from operations closely and expect to raise our next round of financing, if needed, with a minimum buffer of 12 months.

INDEBTEDNESS

	As of December 31,		As of April 30,
	2024	2025	2026
			(unaudited)
	(RMB in thousands)		
Current			
Interest-bearing bank borrowings	28,000	–	–
Lease liabilities	3,690	3,691	3,356
Other payables to investors	40,000	–	–
Redemption liabilities on ordinary shares	1,712,630	–	–
Non-current			
Interest-bearing bank borrowings	445,300	545,326	565,113
Lease liabilities	2,156	403	544
Total	**2,231,776**	**549,420**	**569,013**

As of December 31, 2024 and 2025, except as discussed above, we did not have any material pledges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities. We utilize credit facilities for short-term liquidity management purpose, the interest rate of which ranged from 3.5% to 4.2% during the Track Record Period. As of April 30, 2026, we had RMB234.9 million of committed unutilized credit facilities. Since April 30, 2026, there had been no material change in our indebtedness up to the Latest Practicable Date.

Our Directors confirm that as of the Latest Practicable Date, there was no material covenant on any of our outstanding debt, and there was no breach of any covenant during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that our Group did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

CAPITAL EXPENDITURES

The following table sets forth our capital expenditures for the years indicated.

	For the Year Ended December 31,	
	2024	2025
	(RMB in thousands)	
Purchases of items of property, plant and equipment	230,626	101,622
Purchases of items of other intangible assets	6,041	–
Total	**236,667**	**101,622**

Our historical capital expenditures during the Track Record Period primarily included purchases of property, plant and equipment and other intangible assets. We funded our capital expenditure requirements during the Track Record Period mainly from equity financing, sales of our commercialized product and debt financing. We plan to fund our planned capital expenditures using our cash at bank and the net [**REDACTED**] received from the [**REDACTED**]. See details set out in "Future Plans and Use of [**REDACTED**]". We may reallocate the fund to be utilized on capital expenditure based on our ongoing business needs.

CAPITAL COMMITMENTS

As of December 31, 2024 and 2025, our material commitments were as shown in the table below.

	As of December 31,	
	2024	2025
	(RMB in thousands)	
Buildings	86,412	1,869
Plant and machinery	42,533	2,489
Total	**128,945**	**4,358**

FINANCIAL RATIO

For the years ended December 31, 2024 and 2025, our current ratios, defined as current assets divided by current liabilities, were 0.20 and 2.33, respectively.

MATERIAL RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. During the Track Record Period, we had transactions with related parties in accordance with the terms agreed with the counterparties. For details of our related party transactions, see Note 28 to the Accountants' Report in Appendix I to this Document.

Our Directors are of the view that material related party transactions were conducted in the ordinary course of business on an arm's length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or cause our historical results to become non-reflective of our future performance.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

CONTINGENT LIABILITIES

During the Track Record Period, we did not have any significant contingent liabilities and were not involved in any legal proceedings pending or threatened against us which could have a material and adverse effect on our business or operations.

FINANCIAL RISKS DISCLOSURE

Our principal financial instruments comprise bank borrowings and cash and short-term deposits and financial assets at fair value through profit or loss. The main purpose of these financial instruments is to raise finance for our operations. We have various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from our operations.

Interest rate risk

Our exposure to the risk of changes in market interest rates relates primarily to our long-term debt obligations with a floating interest rate.

Foreign currency risk

We have transactional currency exposures. Such exposures arise from currencies other than our functional currencies.

Credit risk

The credit risk of our other financial assets, which comprise cash and cash equivalents, time deposits with maturity over three months and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments. Since we trade only with recognized and creditworthy third parties, there is no requirement for collateral.

Liquidity risk

We monitor and maintain a level of cash and cash equivalents deemed adequate by our management to finance the operations and mitigate the effects of fluctuations in cash flows.

DIVIDEND

During the Track Record Period, we had never declared or paid any dividends on our ordinary shares or any other securities. As of the Latest Practicable Date, we did not have a formal dividend policy nor a pre-determined dividend payout ratio. As confirmed by our PRC Legal Adviser, according to the PRC law, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund. We will therefore only be able to declare dividends after (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not intend to declare or pay any dividends in the foreseeable future. [**REDACTED**] should not purchase our ordinary shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Directors subject to our Articles of Association and the PRC Company Law, and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial conditions, contractual restrictions and other factors that our Directors may deem relevant. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits as determined in accordance with its articles of association and the accounting standards and regulations in China.

DISTRIBUTABLE RESERVES

As of December 31, 2025, we did not have any distributable reserves.

[**REDACTED**]

Our [**REDACTED**] represent professional fees, [**REDACTED**] and other fees incurred in connection with the [**REDACTED**]. Assuming an [**REDACTED**] of HK$[**REDACTED**] per H Share, we estimated that the total [**REDACTED**] for the [**REDACTED**] are approximately HK$[**REDACTED**], accounting for approximately [**REDACTED**]% of the gross [**REDACTED**] from the [**REDACTED**] (assuming no H Shares are [**REDACTED**] pursuant to the [**REDACTED**]), of which approximately HK$[**REDACTED**] is expected to be charged to our consolidated statements of profit or loss and other comprehensive income upon the completion of [**REDACTED**], and approximately HK$[**REDACTED**] is expected to be accounted for as a deduction from equity upon the completion of [**REDACTED**]. The above expenses comprise of (i) [**REDACTED**] expenses, including [**REDACTED**] and other expenses, of HK$[**REDACTED**]; and (ii) [**REDACTED**] expenses of HK$[**REDACTED**], including (a) fee paid and payable to legal advisers and reporting accountants of HK$[**REDACTED**], and (b) other fees and expenses of HK$[**REDACTED**]. The [**REDACTED**] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

PROPERTY INTERESTS AND PROPERTY VALUATION REPORT

AVISTA Valuation Advisory Limited, an independent property valuer, valued our property interests as of March 31, 2026 and was of the opinion that the aggregate value of our properties was approximately RMB422.8 million. The full text of the letter and valuation certificate with regard to our property interests are set out in the Property Valuation Report in Appendix III to this Document.

Property Valuation Reconciliation

The statement below shows the reconciliation of aggregate amounts of our properties as reflected in the consolidated statement of financial position as of December 31, 2025 as set out in Appendix I to this Document with the valuation of our properties as of March 31, 2026 as set out in Appendix III to this Document.

	RMB in thousands
Net book value of our selective property interest as of December 31, 2025	387,174
Movement for the period from December 31, 2025 to March 31, 2026 (unaudited)	(3,501)
Net book value of our selective property interest as of March 31, 2026 (unaudited)	383,673
Valuation surplus as of March 31, 2026	39,107
Valuation as of March 31, 2026 as set out in Appendix III to this Document	422,780

UNAUDITED [REDACTED] FINANCIAL INFORMATION

Please refer to "Appendix II — Unaudited [**REDACTED**] Financial Information" for further details.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

We confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to disclosure required under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS

For further details of our future plans, please see the section headed "Business — Our Strategies" in this Document.

USE OF [REDACTED]

We estimate that the aggregate net [**REDACTED**] to our Company from the [**REDACTED**] will be approximately HK$[**REDACTED**], after deducting [**REDACTED**] fees and estimated expenses in connection with the [**REDACTED**] payable by us and based on an [**REDACTED**] of HK$[**REDACTED**] per H Share, assuming the [**REDACTED**] is not exercised.

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

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be allocated to the ongoing and planned clinical development and regulatory affairs of our product candidates, of which:
    - Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to fund the continuous clinical development and regulatory affairs of our Core Product AP301, a phosphate binder for the treatment of hyperphosphatemia. According to CIC, it is reasonable to allocate the said amount of [**REDACTED**] to the research and development of our Core Product, as compared to comparable companies.
        - Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used for a global multi-regional Phase III clinical trial in China and the U.S. to evaluate the efficacy and safety of AP301 on serum phosphorous control in CKD patients receiving maintenance dialysis with hyperphosphatemia. We are currently conducting a global multi-regional pivotal Phase III clinical trial in China and the U.S. and expect to complete it in the second quarter of 2027 using aforesaid net [**REDACTED**] allocation;
        - Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] will be used for NDA registration of AP301, among which:
            - Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used for NDA registration in the U.S. We expect to file an NDA for AP301 with the FDA in the third quarter of 2027;
            - Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used for NDA registration in China. We completed a Phase III clinical trial of AP301 in China in June 2025. We expect to file an NDA for AP301 with the NMPA in June 2026;
        - Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used for the clinical development of AP301 on serum phosphorous control in non-dialysis CKD patients with hyperphosphatemia. We expect to initiate clinical trials to expand the applicable clinical indications for AP301 since 2030;

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be allocated to fund the continuous clinical development and regulatory affairs for other product candidates including AP306, AP303 and AP308:
  - AP303: Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be allocated to the research and development of AP303, a differentiated disease-modifying agent with the potential to significantly delay or halt the progression of CKD, including:
    - Approximately [**REDACTED**]%, or HK$[**REDACTED**], of the net [**REDACTED**] will be allocated to fund a Phase II basket clinical trial of AP303 targeting DKD and IgAN patients with high proteinuria. We expect to initiate the trial in the third quarter of 2026 and complete it by the second half of 2027 in China and Australia;
    - Approximately [**REDACTED**]%, or HK$[**REDACTED**], of the net [**REDACTED**] will be allocated to fund a Phase III clinical trial of AP303 targeting IgAN, which we expect to initiate in the second half of 2027;
  - AP306: Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be allocated to the research and development of AP306, a differentiated pan-phosphate transporter inhibitor for hyperphosphatemia.
    - Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used to fund a randomized, double-blind, placebo-controlled, multi-regional Phase IIb clinical trial of AP306 in China, which we expect to initiate in the second quarter of 2026 to explore the optimal dose and dosing frequency for Phase III clinical development and complete in the second quarter of 2027;
    - Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used to fund a multi-regional Phase III clinical trial of AP306 in China;
  - AP308: Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be allocated to the research and development of our preclinical product candidate AP308, a differentiated IgA protease aiming for a functional cure of IgAN. We expect to submit to the NMPA and the FDA an IND application for AP308 and initiate a Phase I clinical trial in the third quarter of 2026.
    - Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be allocated to fund a Phase Ia clinical trial of AP308, which we expect to initiate in the third quarter of 2026;
    - Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be allocated to fund a Phase I clinical trial of AP308, which we expect to initiate in the third quarter of 2026;

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be allocated to the advancement of the preclinical development of our product candidates including AP304, AP305 and AP307 in our expanded pipeline;

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be allocated to upgrade our manufacturing capacity as well as for commercialization of our drug candidates after they are approved for sale, among which:
  - Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used for the commercialization of AP301 in China, which we expect to start from the second half of 2026. We expect to assemble a sales team consisting of 150 to 200 sales personnel during the first three years after the launch of AP301 and may expand the team based on the sales of AP301;
  - Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be allocated to the commercialization of Mircera®, a long-acting EPOs used for the treatment of anemia associated with CKD. As of the Latest Practicable Date, Mircera® was listed in over 300 hospitals in China since Mircera®'s launch in China in 2024. In anticipation of the future commercialization of Mircera®, we are establishing and expect to scale up our in-house scalable sales team and distribution channels that engages physicians, nephrologists and hospitals directly;
  - Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used to upgrade our manufacturing capacity. As of the Latest Practicable Date, our in-house manufacturing facility in Yangzhou was in the phase of pilot scale production and scale-up preparation, and will be ready for operation in the fourth quarter of 2028. We may further scale up our in-house manufacturing capacity and upgrade production lines in the future to ensure sufficient production capacity to meet global market demand and towards a full-fledged biopharmaceutical company. Specifically, we plan to invest in upgrading our production capacity, including but not limited to the following:
    - Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used to incur maintenance expenditure to accommodate the growing demand of AP301 as it continues to be commercialized in the global markets;
    - Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used for civil construction, which has been partially completed and the built-in scalability will be reserved for an annual capacity of 50 metric tons for AP306, subject to global phase II clinical trial results of AP306 as well as market demand;
- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used for our working capital and other general corporate purposes.

If the [**REDACTED**] is exercised in full, we will receive additional [**REDACTED**] of approximately HK$[**REDACTED**]. We intend to apply the additional net [**REDACTED**] to the above uses on a pro rata basis.

If the net [**REDACTED**] of the [**REDACTED**] are not immediately used for the purposes described above, to the extent permitted by the relevant laws and regulations, we will deposit the net [**REDACTED**] in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions, as long as it is deemed to be in the best interests of the Company. We will comply with all disclosure requirements under the Listing Rules if there is any change to the above proposed use of [**REDACTED**].

[**REDACTED**]

[**REDACTED**]

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[REDACTED]

The following is the text of a report received from the Company's reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this Document.

[To insert the firm's letterhead]

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF ALEBUND PHARMACEUTICALS (JIANGSU) LIMITED, JEFFERIES HONG KONG LIMITED, MERRILL LYNCH (ASIA PACIFIC) LIMITED AND HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED

Introduction

We report on the historical financial information of Alebund Pharmaceuticals (Jiangsu) Limited (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-[●] to I-[●], which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2024 and 2025 (the "**Relevant Periods**"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2024 and 2025 and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages I-[●] to I-[●] 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 initial [**REDACTED**] of the shares of the Company on the [**REDACTED**] of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2024 and 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-[●] have been made.

Dividends

We refer to note 11 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

[●]
Certified Public Accountants
Hong Kong
[**REDACTED**]

I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "**Underlying Financial Statements**").

The Historical Financial Information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December	
		2024	2025
		RMB'000	*RMB'000*
REVENUE	*5*	6,525	30,556
Cost of sales		(4,140)	(17,110)
Gross profit		2,385	13,446
Other income	*5*	4,534	7,335
Selling expenses		(15,171)	(36,337)
Administrative expenses		(62,113)	(251,295)
Research and development expenses		(235,367)	(372,574)
Other (losses)/gains	*5*	(22)	974
Share of the profit or loss of an associate and a joint venture		2	(2,821)
Finance costs	*7*	(29,378)	(110,547)
LOSS BEFORE TAX	*6*	(335,130)	(751,819)
Income tax expense	*10*	–	–
LOSS FOR THE YEAR		(335,130)	(751,819)
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		20,428	(2,286)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		20,428	(2,286)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(314,702)	(754,105)
Loss attributable to:			
Owners of the parent		(326,026)	(750,038)
Non-controlling interests		(9,104)	(1,781)
		(335,130)	(751,819)
Total comprehensive loss attributable to:			
Owners of the parent		(305,598)	(752,324)
Non-controlling interests		(9,104)	(1,781)
		(314,702)	(754,105)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (RMB)	*12*	(1.20)	(3.07)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December 2024	As at 31 December 2025
		RMB'000	*RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*13*	610,088	596,978
Right-of-use assets	*14(a)*	17,947	15,957
Intangible assets	*15*	10,387	9,043
Investments in a joint venture		3,261	3,276
Investments in an associate	*16*	–	63,366
Prepayments, other receivables and other assets	*17*	78,681	92,596
Total non-current assets		720,364	781,216
CURRENT ASSETS			
Inventories		6,118	10,268
Trade receivables		865	–
Prepayments, other receivables and other assets	*17*	2,678	17,283
Amounts due from related parties	*30*	13,054	5
Financial assets at fair value through profit or loss	*18*	–	145,460
Time deposits with original maturity over three months	*19*	22,291	27,375
Cash and cash equivalents	*19*	343,770	358,325
Total current assets		388,776	558,716
CURRENT LIABILITIES			
Trade and other payables	*20*	199,657	168,937
Interest-bearing bank borrowings	*21*	28,000	–
Lease liabilities	*14(b)*	3,690	3,691
Contract liabilities	*22*	–	67,201
Redemption liabilities on ordinary shares	*24*	1,712,630	–
Total current liabilities		1,943,977	239,829
NET CURRENT (LIABILITIES)/ASSETS		(1,555,201)	318,887
TOTAL ASSETS LESS CURRENT LIABILITIES		(834,837)	1,100,103
NON-CURRENT LIABILITIES			
Other payables	*20*	18,595	1,936
Interest-bearing bank borrowings	*21*	445,300	545,326
Lease liabilities	*14(b)*	2,156	403
Deferred income	*23*	40,305	49,195
Total non-current liabilities		506,356	596,860
Net (liabilities)/assets		(1,341,193)	503,243
EQUITY			
Equity attributable to owners of the parent			
Paid-in capital/share capital	*25*	153,615	283,097
Reserves	*27*	(1,484,003)	220,146
		(1,330,388)	503,243
Non-controlling interests		(10,805)	–
Total (deficits)/equity		(1,341,193)	503,243

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2024

	Attributable to owners of the parent								
	Paid-in capital	Capital reserve*	Share-based payment reserve*	Other reserves*	Exchange fluctuation reserve*	Accumulated losses*	Total	Non-controlling interests	Total deficits
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2024	195,597	–	89,040	(180,590)	(26,203)	(838,938)	(761,094)	(1,701)	(762,795)
Loss for the year	–	–	–	–	–	(326,026)	(326,026)	(9,104)	(335,130)
Exchange translation differences	–	–	–	–	20,428	–	20,428	–	20,428
Total comprehensive loss for the year	–	–	–	–	20,428	(326,026)	(305,598)	(9,104)	(314,702)
Deemed contribution from a related party	–	–	–	2,039	–	–	2,039	–	2,039
Capital reduction *(note 25)*	(175,905)	–	–	175,905	–	–	–	–	–
Capital injection *(note 25)*	133,923	1,280,794	–	–	–	–	1,414,717	–	1,414,717
Recognition of redemption liabilities on ordinary shares *(note 24)*	–	–	–	(1,681,712)	–	–	(1,681,712)	–	(1,681,712)
Acquisition of subsidiaries under common control	–	–	–	(20,640)	–	–	(20,640)	–	(20,640)
Share-based payment compensation *(note 26)*	–	–	21,900	–	–	–	21,900	–	21,900
As at 31 December 2024	153,615	1,280,794	110,940	(1,704,998)	(5,775)	(1,164,964)	(1,330,388)	(10,805)	(1,341,193)

Year ended 31 December 2025

	Attributable to owners of the parent								
	Paid-in capital/Share capital	Capital reserve*	Share-based payment reserve*	Other reserves*	Exchange fluctuation reserve*	Accumulated losses*	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2025	153,615	1,280,794	110,940	(1,704,998)	(5,775)	(1,164,964)	(1,330,388)	(10,805)	(1,341,193)
Loss for the year	–	–	–	–	–	(750,038)	(750,038)	(1,781)	(751,819)
Exchange translation differences	–	–	–	–	(2,286)	–	(2,286)	–	(2,286)
Total comprehensive loss for the year	–	–	–	–	(2,286)	(750,038)	(752,324)	(1,781)	(754,105)
Capital injection *(note 25)*	63,269	472,515	–	–	–	–	535,784	–	535,784
Acquisition of non-controlling interests	–	(13,086)	–	–	–	–	(13,086)	12,586	(500)
Recognition of redemption liabilities on ordinary shares *(note 24)*	–	–	–	(172,500)	–	–	(172,500)	–	(172,500)
Termination of redemption liabilities on ordinary shares *(note 24)*	–	–	–	1,975,911	–	–	1,975,911	–	1,975,911
Share of other reserve of an associate	–	–	–	(915)	–	–	(915)	–	(915)
Conversion into a joint stock company *(note 25)*	66,213	(616,550)	–	–	–	550,337	–	–	–
Share-based payment compensation *(note 26)*	–	–	260,761	–	–	–	260,761	–	260,761
As at 31 December 2025	283,097	1,123,673	371,701	97,498	(8,061)	(1,364,665)	503,243	–	503,243

* These reserve accounts comprised the consolidated reserves of RMB(1,484,003,000) and RMB220,146,000 in the consolidated statements of financial position as at 31 December 2024 and 2025, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December 2024	2025
		RMB'000	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax:		(335,130)	(751,819)
Adjustments for:			
Finance costs	*7*	29,378	110,547
Share of (profit)/loss of an associate and a joint venture		(2)	2,821
Interest income		(776)	(1,554)
Depreciation of property, plant and equipment	*13*	5,872	38,536
Depreciation of right-of-use assets	*14(a)*	5,612	5,047
Amortisation of other intangible assets	*15*	1,065	1,156
Share-based payment compensation	*26*	21,900	260,761
Loss on disposal of items of property, plant and equipment	*5*	3	95
Fair value gains on financial assets at FVTPL	*5*	–	(1,945)
Net foreign exchange gains, net		(3,857)	310
		(275,935)	(336,045)
Increase in inventories		(6,118)	(4,150)
(Increase)/decrease in trade receivables		(865)	865
Increase in prepayments, other receivables and other assets		(2,264)	(32,776)
Increase in trade and other payables		4,132	74,059
Increase in contract liabilities		–	127
Increase in deferred income		30,774	8,890
Cash used in operating activities		(250,276)	(289,030)
Interest received		379	1,142
Net cash flows used in operating activities		(249,897)	(287,888)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(230,626)	(101,622)
Purchases of items of intangible assets		(6,041)	–
Placement of time deposits with original maturity over three months		(22,291)	(23,866)
Maturity of time deposits with original maturity over three months		8,744	19,005
Purchase of financial assets at fair value through profit or loss		–	(1,091,150)
Proceeds from disposal of financial assets at fair value through profit or loss		–	947,635
Loans to related parties	*30*	(7,196)	–
Receipt of repayments of loans to related parties	*30*	–	13,176
Net cash flows used in investing activities		(257,410)	(236,822)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital injection from shareholders		1,344,717	535,784
New bank and other borrowings		384,622	145,026
Repayment of bank and other borrowings		(51,511)	(113,000)
Interest paid on bank borrowings		(14,570)	(18,994)

	Notes	Year ended 31 December 2024	2025
		RMB'000	*RMB'000*
Payments of lease liabilities		(5,694)	(5,052)
Loans from related parties	*30*	32,554	–
Repayments of loans to related parties	*30*	(528,826)	–
Payment of [**REDACTED**]		[**REDACTED**]	[**REDACTED**]
Acquisition of subsidiaries under common control	*30*	(373,620)	–
Acquisition of non-controlling interests		–	(500)
Net cash flows from financing activities		787,672	541,716
NET INCREASE IN CASH AND CASH EQUIVALENTS		280,365	17,006
Cash and cash equivalents at beginning of year		63,149	343,770
Effect of foreign exchange rate changes, net		256	(2,451)
Cash and cash equivalents at end of year	*19*	343,770	358,325
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances, unrestricted		343,770	358,325
Cash and cash equivalents as stated in the statement of financial position and the statement of cash flows		343,770	358,325

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 31 December 2024	As at 31 December 2025
		RMB'000	*RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*13*	592,843	583,704
Right-of-use assets	*14(a)*	12,317	11,858
Intangible assets	*15*	1,032	928
Prepayments, other receivables and other assets	*17*	58,596	86,624
Investments in subsidiaries	*1*	149,027	409,772
Total non-current assets		813,815	1,092,886
CURRENT ASSETS			
Prepayments, other receivables and other assets	*17*	519	7,073
Amounts due from related parties		230,095	160,869
Financial assets at fair value through profit or loss	*18*	–	145,460
Time deposits with original maturity over three months	*19*	22,291	27,375
Cash and cash equivalents	*19*	331,010	327,763
Total current assets		583,915	668,540
CURRENT LIABILITIES			
Trade and other payables	*20*	155,603	111,826
Amounts due to subsidiaries		196,647	48,624
Redemption liabilities on ordinary shares	*24*	1,712,630	–
Total current liabilities		2,064,880	160,450
NET CURRENT (LIABILITIES)/ASSETS		(1,480,965)	508,090
TOTAL ASSETS LESS CURRENT LIABILITIES		(667,150)	1,600,976
NON-CURRENT LIABILITIES			
Other payables	*20*	18,595	1,936
Interest-bearing bank borrowings	*21*	445,300	545,326
Deferred income	*23*	40,305	49,195
Total non-current liabilities		504,200	596,457
Net (liabilities)/assets		(1,171,350)	1,004,519
EQUITY			
Paid-in capital/share capital	*25*	153,615	283,097
Reserves	*27*	(1,324,965)	721,422
Total (deficits)/equity		(1,171,350)	1,004,519

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Alebund Pharmaceuticals (Jiangsu) Limited (the "**Company**") was established in the People's Republic of China (the "**PRC**") on 20 May 2021 as a limited liability company. On 10 October 2025, the Company was converted into a joint stock company with limited liability under PRC Company Law. The registered office of the Company is located at Building 7, No. 7 Jinzhuang Road, Hanjiang District, Yangzhou City, Jiangsu Province, PRC.

The Company and its subsidiaries (the "**Group**") are principally engaged in development, manufacturing and commercialization of renal products.

As at the date of this report, the Company had direct and indirect interests in its subsidiaries as below:

Name	Place and date of incorporation/ registration and place of operations	Nominal value of issued ordinary/registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Alebund Pharmaceuticals (Shanghai) Co., Ltd.* 禮邦藥業(上海)有限公司 *(note a)*	PRC/Chinese mainland 25 July 2022	RMB30,000,000	100%	–	Research and development
Alebund Pharmaceuticals (Yangzhou) Co., Ltd.* 禮邦藥業(揚州)有限公司 *(note a)*	PRC/Chinese mainland 5 June 2024	RMB10,000,000	100%	–	Manufacturing
Alebund Pharmaceuticals Manufacturing (Yangzhou) Co., Ltd.* 禮邦製藥(揚州)有限公司 *(note a)*	PRC/Chinese mainland 31 May 2024	RMB100,000,000	100%	–	Manufacturing
Shanghai Alebund Pharmaceuticals Limited* 上海禮邦醫藥科技有限公司 *(note a)*	PRC/Chinese mainland 23 April 2018	RMB122,567,446	100%	–	Research and development
Alebund Pharmaceuticals (Hong Kong) Limited *(note b)*	Hong Kong 23 January 2019	Hong Kong dollar ("**HKD**")13	100%	–	Commercialization
Shanghai Lichu Pharmaceuticals Ltd.* 上海禮初醫藥科技有限公司 *(note a)*	Chinese mainland 19 April 2021	RMB5,000,000	–	100%	Research and development
Shanghai Alezyme Pharmaceuticals Ltd.* 上海君祉醫藥科技有限公司 *(note a)*	Chinese mainland 4 January 2022	RMB8,970,000	–	100%	Research and development
Alebund Biotech USA Inc. *(note c)*	United States of America 8 February 2022	United States dollar ("**USD**")10	–	100%	Research and development

Notes:

a. The statutory financial statements of these entities for the year ended 31 December 2024 prepared in accordance with Accounting Standards for Business Enterprises were audited by Shanghai Xusheng Certified Public Accountants LLP, certified public accountants registered in the PRC.

b. The financial statements of this entity for the year ended 31 December 2024 prepared in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standard issued by the Hong Kong Institute of Certified Public Accountants were audited by ECOVIS Focus Hong Kong CPA Limited, certified public accountants registered in Hong Kong.

c. No audited financial statements have been prepared for this entity for the year ended 31 December 2024 and 2025 as this entity was not subject to any statutory audit requirements under the relevant rules and regulations in its jurisdiction of incorporation.

* The English names of these companies registered in the PRC represent the best effort made by the directors of the Company to directly translate their Chinese names as they did not register any official English names.

The Company

The carrying amounts of the Company's investments in subsidiaries:

	As at 31 December	
	2024	2025
	RMB'000	*RMB'000*
Investment, at cost	149,027	409,772

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board ("**IASB**"). All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value.

Basis of consolidation

The Historical Financial Information includes the financial statements of the Group for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting periods as the Company, using consistent accounting policies. Except for the subsidiaries acquired under common control, the results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Merger accounting for business combination involving entities under common control

Pursuant to the unwinding of the red-chip holding structure of Alebund Biotech Inc., as more fully explained in the section headed "HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE" in the Document, the Company became the holding company of the companies now comprising the Group in April 2024. The unwinding of the red-chip holding structure did not resulted in any change of respective voting and beneficial interests and economic substance. Accordingly, for the purpose of this report, the Historical Financial Information has been prepared on a consolidated basis by applying the principles of merger accounting as if the unwinding had been completed at the beginning of the Relevant Periods.

The consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for the Relevant Periods include the results and cash flows of all companies now comprising the Group from the earliest date presented or since the date when the subsidiaries were established, where this is a shorter period. The consolidated statements of financial position of the Group as at 31 December 2024 and 2025 have been prepared to present the assets and liabilities of the subsidiaries using the existing book values from the controlling shareholders' perspective.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[2]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Annual Improvements to IFRS Accounting Standards — Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7[1]

1 Effective for annual periods beginning on or after 1 January 2026

2 Effective for annual/reporting periods beginning on or after 1 January 2027

3 No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and amended IFRS Accounting Standards upon initial application. IFRS 18 introduce new requirements on presentation within profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information. The new standard is not expected to have any impact on the Group's results of operations and financial position but has impact on the presentation and disclosure of the Group's financial statements. Other than IFRS 18, so far, the Group considers that IFRS 19 and the amended IFRS Accounting Standards are unlikely to have a significant impact on the Group's results of operations and financial position.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

Investments in an associate

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. 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.

The Group's investments in an associate are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of an associate is included in the consolidated statements of profit or loss and other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statements of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's investments in the associate, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of the associate is included as part of the Group's investments in an associate.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Fair value measurement

The Group measures its wealth management products at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	27 years
Leasehold improvements	2-5 years
Electronic devices	3 years
Machinery	10 years
Office equipment	5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 10 years.

In-licensed commercialised drug

In-licensed commercialised drug is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated economic life of 10 years.

Research and development costs

During the Relevant Periods, all research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	30 years
Plant and properties	2 to 3 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that are considered to be low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss ("**FVTPL**").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings or as payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Redemption liabilities are initially recognised at the net present value of redemption amount.

The Group's financial liabilities include trade and other payables, interest-bearing bank borrowings, amounts due to related parties and redemption liabilities on ordinary shares.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables, borrowings and redemption liabilities on ordinary shares)

After initial recognition, trade and other payables, interest-bearing bank borrowings and redemption liabilities on ordinary shares are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the specific identification method and, in the case of finished goods. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash at banks, and short-term deposits as defined above.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The revenue from a licence is recognised over time if all of the following criteria are met:

(a) the contract requires, or the customer reasonably expects, that the entity will undertake activities that significantly affect the intellectual property to which the customer has rights

(b) the rights granted by the licence directly expose the customer to any positive or negative effects of the entity's activities identified in (a); and

(c) those activities do not result in the transfer of a good or a service to the customer as those activities occur

Otherwise, revenue is recognised at a point in time when the customer obtains the control of the license.

Sale of pharmaceutical products

Revenue from the sale of pharmaceutical products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the pharmaceutical products.

Collaboration arrangement

Revenue from licensing intellectual property is recognised at the point in time, when the control of the intellectual property is transferred to the licensee and the licensee is reasonably able to use and benefit from the licensee, which includes upfront non-refundable and non-monetary considerations, milestone considerations and sales-based royalties.

Upfront non-refundable and non-monetary considerations are recognised when the control of the intellectual property is transferred to the licensee. While milestone considerations are recognised when it is highly probable that a significant revenue reversal would not occur and measured at the most likely amount. Sales-based royalties are recognised at the later of (i) when the related sales occur, and (ii) when the performance obligations to which some or all of the royalties have been allocated have been satisfied (or partially satisfied).

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Company operates share incentive schemes. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("**equity-settled transactions**"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer, further details of which are given in note 26 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

Other employee benefits

Pension scheme

The employees of the Group's subsidiaries which operate in Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

Borrowing costs directly attributable to the construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized as part of the cost of those assets. The capitalization of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Foreign currencies

The Historical Financial Information is presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss and other comprehensive income are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information.

Research and development costs

All research costs are charged to profit or loss as incurred. Costs incurred on each pipeline to develop new products are capitalised and deferred in accordance with the accounting policy for research and development costs in note 2.3 to the Historical Financial Information. Determining the amounts to be capitalised requires management to make judgments on the technical feasibility of existing pipelines to be successfully commercialised and bring economic benefits to the Group.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the unused tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, together with future tax planning strategies.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Accrual of research and development expenses

The Group relies on contract research organisations, clinical site management operators and clinical trial centres (collectively referred as "**Outsourced Service Providers**") to conduct, supervise, and monitor the Group's ongoing clinical trials. Determining the amounts of research and development expenses incurred up to the end of the reporting period requires the management of the Group to estimate and measure the progress of receiving research and development services under the contracts with Outsourced Service Providers using inputs such as number of patient enrolments, time elapsed and milestones achieved.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in the prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

As of 31 December 2024 and 2025, no indicators of the impairment for such non-financial assets are identified notwithstanding that the Group recorded a loss for the years end 31 December 2024 and 2025, since (i) the assets' value have not declined significantly, (ii) the assets are not obsolete or physically damaged; and (iii) the actual loss of the Group for the years ended 31 December 2024 and 2025, is narrower than the estimated loss.

Fair value measurement for non-monetary consideration

The fair value of the non-monetary consideration received from the licensing revenue is determined using valuation techniques and the Company uses its judgment to select a method and makes assumptions that are mainly based on market conditions existing on the subscription date. Further details are included in note 5 to the Historical Financial Information. Should any of the estimates and assumptions change, it may lead to a material change in the fair value of the non-monetary consideration.

4. OPERATING SEGMENT INFORMATION

Operating segment information

For management purposes, the Group has only one reportable operating segment, which engages in development, manufacturing and commercialisation of renal products. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

Geographical information

Since all of the Group's revenue was derived from a customer located in Chinese mainland and nearly all of the Group's non-current assets were located in Chinese mainland, and therefore no geographical segment information is presented in accordance with IFRS 8 *Operating Segments*.

Information about a major customer

All of revenue of RMB6,525,000 and RMB30,556,000 for the Relevant Periods was derived from the sale of pharmaceutical products to a single customer, respectively.

5. REVENUE, OTHER INCOME AND OTHER GAINS/(LOSSES)

An analysis of revenue is as follows:

	Year ended 31 December	
	2024	2025
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Revenue from the sale of pharmaceutical products – at a point in time	6,525	30,556

Performance obligations

Sale of pharmaceutical products

The performance obligation is satisfied upon delivery of the pharmaceutical products and payment is generally due within 30 days from delivery.

Collaboration arrangement

In December 2025, the Group entered into a collaboration agreement ("**R1 Agreement**") with R1 Therapeutics, Inc. ("**R1 Therapeutics**") for development, manufacturing and otherwise exploiting AP306, a pan-phosphate transporter inhibitor for hyperphosphatemia, outside Chinese mainland, Hong Kong, Macau and Taiwan. Pursuant to the R1 Agreement, the Group was entitled to receive 13,253,968 unlisted class B common shares of R1 Therapeutics as upfront, non-monetary and non-refundable consideration, and is also entitled to receive future milestone payments, which are contingent on future events and represent variable consideration, further non-monetary consideration resulting from the anti-dilution protection mechanisms designed to maintain 21.25% of the ownership of R1 Therapeutics (on a fully diluted basis) and tiered royalty payments based on net sales in the relevant territories. As of 31 December 2025, the performance obligation of the collaboration agreement has not been satisfied, with its fulfillment expected within one year. The Group recognised contract liabilities of RMB67,074,000 which equaled to the fair value of class B common shares of R1 Therapeutics on the subscription date. As of 31 December 2025, the issuance of these shares to the Group has been completed. The Group has used the back-solve method to determine the underlying class B common shares value of R1 Therapeutics with reference to the recent preferred share financing of R1 Therapeutics. Key assumptions as of the share subscription date are set out below:

Expected volatility	56.88%
Discount for lack of marketability	21.9%
Risk-free interest rate	3.57%

An analysis of other income and other (losses)/gains is as follows:

	Year ended 31 December	
	2024	2025
	RMB'000	*RMB'000*
Other income		
Consulting income	44	–
Bank interest income	570	1,432
Government grants *(note a)*	3,365	5,499
Others	555	404
Total other income	4,534	7,335
Other (losses)/gains		
Loss on disposal of items of property, plant and equipment	(3)	(95)
Fair value gains on financial assets at FVTPL	–	1,945
Donations	(70)	(749)
Net foreign exchange gains/(losses), net	51	(127)
Total other (losses)/gains	(22)	974

Note a: Government grants were received mainly as compensation for the operating activities of the Group. There are no unfulfilled conditions or contingencies relating to these grants.

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

		Year ended 31 December	
	Notes	2024	2025
		RMB'000	*RMB'000*
Cost of inventories sold		3,541	16,079
Depreciation of property, plant and equipment	*13*	5,872	38,536
Depreciation of right-of-use assets	*14(a)*	5,612	5,047
Amortisation of intangible assets	*15*	1,065	1,156
Lease payments not included in the measurement of lease liabilities	*14(c)*	641	267
Government grants	*5*	(3,365)	(5,499)
Fair value gains on financial assets at FVTPL	*5*	–	(1,945)
[**REDACTED**]		[**REDACTED**]	[**REDACTED**]
Auditor's remuneration		38	40
Loss on disposal of items of property, plant and equipment	*5*	3	95
Employee benefit expense (including directors' and chief executive's remuneration *(note 8)*:			
– Salaries, allowances and benefits in kind		97,097	107,271
– Equity settled share-based payments		21,900	260,761
– Pension scheme contributions		13,434	13,559
Subtotal		132,431	381,591

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December	
	2024	2025
	RMB'000	*RMB'000*
Interest on bank borrowings	13,569	19,523
Interest on redemption liabilities on ordinary shares	27,720	90,781
Interest on lease liabilities	387	243
Total interest expense on financial liabilities not at fair value through profit or loss	41,676	110,547
Less: Interest capitalised	(12,298)	–
Total	29,378	110,547

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration during the Relevant Periods, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Year ended 31 December	
	2024	2025
	RMB'000	*RMB'000*
Salaries, allowances and benefits in kind	8,256	12,992
Pension scheme contributions	51	142
Equity-settled share-based payments	21,900	195,420
Total emoluments	30,207	208,554

Certain directors were granted restricted shares and share options, in respect of their services to the Group, under the share incentive scheme of the Company, further details of which are set out in note 26 to the Historical Financial Information. The fair values of such restricted shares and share options, which have been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods is included in the above directors' and chief executive's remuneration disclosures.

(a) Directors and the chief executive

Year ended 31 December 2024

	Salaries, allowances and benefits in kind	Equity-settled share-based payments	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Director and chief executive officer:				
Dr. Gavin Guoyao Xia *(a)*	3,241	13,988	–	17,229
Directors:				
Jin Tian, M.D. *(b)*	3,013	7,912	–	10,925
Ms. Wang Yun *(c)*	1,968	–	50	2,018
Dr. Zhang Huading *(f)*	34	–	1	35
Dr. Jin Jiaqi *(d)*	–	–	–	–
Dr. Tian Ziwei *(g)*	–	–	–	–
Dr. Yining Zhao *(d)*	–	–	–	–
Dr. Marietta Hui WU *(d)*	–	–	–	–
Dr. Deng Liang *(d)*	–	–	–	–
Dr. Lu An *(e)*	–	–	–	–
Subtotal	5,015	7,912	51	12,978
Total	8,256	21,900	51	30,207

Year ended 31 December 2025

	Salaries, allowances and benefits in kind	Equity-settled share-based payments	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Director and chief executive officer:				
Dr. Gavin Guoyao Xia *(a)*	3,326	77,269	–	80,595
Directors:				
Jin Tian, M.D. *(b)*	3,783	40,245	–	44,028
Ms. Wang Yun *(c)*	2,681	59,911	71	62,663
Dr. Zhang Huading *(f)*	3,019	17,995	71	21,085
Dr. Tian Ziwei *(g)*	–	–	–	–
Dr. Yining Zhao *(d)*	–	–	–	–
Dr. Marietta Hui WU *(d)*	–	–	–	–
Dr. Deng Liang *(d)*	–	–	–	–
Dr. Lu An *(e)*	–	–	–	–
Dr. Xu Runhong *(h)*	61	–	–	61
Dr. Zhui Chen *(h)*	61	–	–	61
Mr. Leung Chi Wai *(h)*	61	–	–	61
Subtotal	9,666	118,151	142	127,959
Total	12,992	195,420	142	208,554

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the Relevant Periods.

Notes:

(a) Dr. Gavin Guoyao Xia was appointed as a director of the Company with effect from May 2021 and was re-appointed as an executive director of the Company with effect from October 2025.

(b) Jin Tian, M.D. was appointed as a director of the Company with effect from May 2021 and was re-appointed as an executive director of the Company with effect from October 2025.

(c) Ms. Wang Yun was appointed as a director of the Company with effect from April 2024 and was re-appointed as an executive director of the Company with effect from October 2025.

(d) Dr. Jin Jiaqi, Dr. Deng Liang, Dr. Marietta Hui WU and Dr. Yining Zhao were appointed as directors of the Company with effect from April 2024. Dr. Jin Jiaqi has resigned as a director of the Company with effect from August 2024. Dr. Deng Liang resigned as a director of the Company with effect from August 2025. Dr. Marietta Hui WU and Dr. Yining Zhao resigned as directors of the Company with effect from October 2025.

(e) Dr. Lu An was appointed as a director of the Company with effect from August 2024 and was re-appointed as a non-executive director of the Company with effect from October 2025.

(f) Dr. Zhang Huading was appointed as a director of the Company with effect from December 2024 and was re-appointed as an executive director of the Company with effect from October 2025.

(g) Dr. Tian Ziwei was appointed as a director of the Company with effect from December 2024 and resigned as a director of the Company with effect from October 2025.

(h) Dr. Xu Runhong, Dr. Zhui Chen and Mr. Leung Chi Wai were appointed as independent non-executive directors of the Company with effect from October 2025.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the Relevant Periods, included four and four directors, respectively, details of whose remuneration are set out in note 8 above. In addition, included in the five highest paid employees for the year ended 31 December 2024 were two individuals being appointed as directors during the year. The total remuneration of these individuals for the year ended 31 December 2024, including the remuneration in respect of their qualifying services as directors, is comprised of salaries, allowance and benefits in kind of RMB5,873,000 and pension scheme contributions of RMB141,000. Details of the remuneration for the remaining one highest paid employees who are neither a director nor chief executive of the Company during the Relevant Periods and the six months ended 30 June 2024 and 2025 are as follows:

	Year ended 31 December	
	2024	2025
	RMB'000	*RMB'000*
Salaries, allowances and benefits in kind	2,883	2,728
Pension scheme contributions	71	71
Equity-settled share-based payments	–	34,265
Total	2,954	37,064

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	Year ended 31 December	
	2024	2025
HK$3,000,001 to HK$3,500,000	1	–
HK$40,000,001 to HK$40,500,000	–	1
Total	1	1

During the year ended 31 December 2025, share options were granted to a non-director and non-chief executive highest paid employee in respect of his services to the Group, further details of which are included in the disclosures in note 26 to the Historical Financial Information. The fair value of such options, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Hong Kong

The Group's subsidiary in Hong Kong is subject to Hong Kong profits tax at a rate of 16.5%. No Hong Kong profits tax was provided for as the Group did not generate any assessable profits arising in Hong Kong during the Relevant Periods.

United States of America

The entity in the State of Delaware is subject to Federal Tax at a rate of 21% and State of Delaware Profits Tax at a rate of 8.7%. Operations in the United States of America have incurred net accumulated operating losses for income tax purposes and no income tax provisions were recorded during the Relevant Periods.

Australia

Under the Treasury Law Amendment (Enterprise Tax Plan Base Rate Entitles) Bill 2017 of Australia, corporate entity who qualified as a small business entity is eligible for the lower corporate tax rate at 25% during the Relevant Periods. The subsidiary incorporated in Australia is qualified as a small business entity and is subject to the lower company income tax rate on the estimated assessable profits.

Chinese mainland

The provision for PRC corporate income tax is based on the statutory rate of 25% of the assessable profits of certain PRC subsidiaries of the Group as determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008, except for certain subsidiaries of the Group in Chinese mainland which are granted tax concession and are taxed at preferential tax rates.

Pursuant to Caishui [2023] No. 12 "Circular of the Ministry of Finance, the State Administration of Taxation Issued on the Tax Policies for Further Support the Development of Small Low-profit Enterprises and Self-employed Businesses" (財政部稅務總局關於進一步支持小微企業和個體工商戶發展有關稅費政策的公告), Alebund Pharmaceuticals (Shanghai) Co., Ltd., Alebund Pharmaceuticals Manufacturing (Yangzhou) Co., Ltd., Alebund Pharmaceuticals (Yangzhou) Co., Ltd. and Shanghai Lichu Pharmaceutical Ltd, whose annual taxable income is less than RMB1,000,000 will be included in the actual taxable income at 25%, based on which the enterprise income tax payable will be calculated at the reduced tax rate of 20%. This policy has taken effect on 1 January 2023 and will expire on 31 December 2027.

	Year ended 31 December	
	2024	2025
	RMB'000	*RMB'000*
Current income tax	–	–
	=	=

A reconciliation of the tax expense applicable to loss before tax at the statutory tax rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

	Year ended 31 December	
	2024	2025
	RMB'000	*RMB'000*
Loss before tax	(335,130)	(751,819)
Tax at the statutory tax rate	(83,783)	(187,955)
Lower tax rates for specific jurisdiction or enacted by local authority	3,623	2,277
Profits and losses attributable to an associate and a joint venture	(1)	705
Expenses not deductible for tax	13,347	89,137
Additional deductible allowance for qualified research and development costs	(17,599)	(24,955)
Tax losses and deductible temporary differences not recognised	84,413	120,791
Tax charge at the Group's effective rate	–	–

Deferred tax assets have not been recognised in respect of the following items:

	Year ended 31 December	
	2024	2025
	RMB'000	*RMB'000*
Tax losses	1,023,352	1,498,084
Deductible temporary differences	40,950	61,304
Total	1,064,302	1,559,388

The tax losses of the Company's PRC entities will expire within five years. The tax losses of the Company's other subsidiaries can be carried forward indefinitely. The unrecognised deductible temporary differences are mainly related to deferred income. No deferred tax asset has been recognised in respect of the tax losses and deductible temporary differences as Group is not considered probable that taxable profits will be available against which the above items can be utilised.

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	Year ended 31 December	
	2024	2025
	RMB'000	*RMB'000*
Gross deferred tax assets at end of the year – lease liabilities	1,407	1,019
Gross deferred tax liabilities at end of the year – right-of use assets	(1,407)	(1,019)

11. DIVIDENDS

No dividend was paid or declared by the Company during the Relevant Periods.

12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss attributable to ordinary equity holders of the parent, and the weighted average numbers of ordinary shares outstanding after taking into account the retrospective adjustments on the assumption that the conversion into joint stock company with limited liability as disclosed in note 25 to the Historical Financial Information had been in effect on 1 January 2024.

The calculations of basic loss per share are based on:

	Year ended 31 December	
	2024	2025
Loss		
Loss attributable to ordinary equity holders of the parent, for the purpose of calculating basic loss per share (RMB'000)	(326,026)	(750,038)
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic loss per share calculation	271,599,672	244,209,896
Loss per share (basic) (RMB per share)	(1.20)	(3.07)

No adjustment has been made to the basic loss per share amounts presented for the Relevant Periods in respect of a dilution as the impact of redemption liabilities on ordinary shares and share options had an anti-dilutive effect on the basic loss per share amounts presented.

13. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Machinery	Office equipment	Electronic devices	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024							
At 1 January 2024:							
Cost	–	16,458	489	973	15,796	270,289	304,005
Accumulated depreciation	–	(1,902)	(179)	(555)	(6,456)	–	(9,092)
Net carrying amount	–	14,556	310	418	9,340	270,289	294,913
At 1 January 2024, net of accumulated depreciation	–	14,556	310	418	9,340	270,289	294,913
Additions	–	–	7	78	–	320,965	321,050
Transfers	377,694	209,455	2,663	201	–	(590,013)	–
Disposals	–	–	–	(3)	–	–	(3)
Depreciation provided during the year	–	(1,671)	(92)	(283)	(3,826)	–	(5,872)
At 31 December 2024, net of accumulated depreciation	377,694	222,340	2,888	411	5,514	1,241	610,088
At 31 December 2024:							
Cost	377,694	225,913	3,159	1,242	15,796	1,241	625,045
Accumulated depreciation	–	(3,573)	(271)	(831)	(10,282)	–	(14,957)
Net carrying amount	377,694	222,340	2,888	411	5,514	1,241	610,088

	Buildings	Machinery	Office equipment	Electronic devices	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2025							
At 1 January 2025:							
Cost	377,694	225,913	3,159	1,242	15,796	1,241	625,045
Accumulated depreciation	–	(3,573)	(271)	(831)	(10,282)	–	(14,957)
Net carrying amount	377,694	222,340	2,888	411	5,514	1,241	610,088
At 1 January 2025, net of accumulated depreciation	377,694	222,340	2,888	411	5,514	1,241	610,088
Additions	142	60	19	32	354	24,914	25,521
Transfers	14,244	7,958	1,565	69	–	(23,836)	–
Disposals	–	(90)	–	(5)	–	–	(95)
Depreciation provided during the year	(13,423)	(21,519)	(580)	(209)	(2,805)	–	(38,536)
At 31 December 2025, net of accumulated depreciation	378,657	208,749	3,892	298	3,063	2,319	596,978
At 31 December 2025:							
Cost	392,080	233,808	4,743	1,257	16,150	2,319	650,357
Accumulated depreciation	(13,423)	(25,059)	(851)	(959)	(13,087)	–	(53,379)
Net carrying amount	378,657	208,749	3,892	298	3,063	2,319	596,978

The Company

	Buildings	Machinery	Office equipment	Electronic devices	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024							
At 1 January 2024:							
Cost	–	1,893	96	176	3,841	270,185	276,191
Accumulated depreciation	–	(76)	(24)	(84)	(2,654)	–	(2,838)
Net carrying amount	–	1,817	72	92	1,187	270,185	273,353
At 1 January 2024, net of accumulated depreciation	–	1,817	72	92	1,187	270,185	273,353
Additions	–	–	7	35	–	320,948	320,990
Transfer	377,694	209,414	2,634	150	–	(589,892)	–
Disposals	–	–	–	(22)	–	–	(22)
Depreciation provided during the year	–	(284)	(19)	(71)	(1,104)	–	(1,478)
At 31 December 2024, net of accumulated depreciation	377,694	210,947	2,694	184	83	1,241	592,843
At 31 December 2024:							
Cost	377,694	211,307	2,737	318	3,841	1,241	597,138
Accumulated depreciation	–	(360)	(43)	(134)	(3,758)	–	(4,295)
Net carrying amount	377,694	210,947	2,694	184	83	1,241	592,843

	Buildings	Machinery	Office equipment	Electronic devices	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2025							
At 1 January 2025:							
Cost	377,694	211,307	2,737	318	3,841	1,241	597,138
Accumulated depreciation	–	(360)	(43)	(134)	(3,758)	–	(4,295)
Net carrying amount	377,694	210,947	2,694	184	83	1,241	592,843
At 1 January 2025, net of accumulated depreciation	377,694	210,947	2,694	184	83	1,241	592,843
Additions	143	83	16	31	–	24,822	25,095
Transfer	14,244	7,934	1,552	14	–	(23,744)	–
Disposals	–	–	–	(73)	–	–	(73)
Depreciation provided during the year	(13,423)	(20,132)	(503)	(66)	(37)	–	(34,161)
At 31 December 2025, net of accumulated depreciation	378,658	198,832	3,759	90	46	2,319	583,704
At 31 December 2025:							
Cost	392,081	219,336	4,304	235	3,841	2,319	622,116
Accumulated depreciation	(13,423)	(20,504)	(545)	(145)	(3,795)	–	(38,412)
Net carrying amount	378,658	198,832	3,759	90	46	2,319	583,704

As at 31 December 2025, certain of the Group's and the Company's property, plant and equipment with a net carrying amount of RMB503,687,000, were pledged to secure certain banking borrowings of the Group and the Company (note 21).

14. LEASES

The Group as a lessee

The Group has lease contracts for various items of plant and properties and leasehold land used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 30 years, and no ongoing payments will be made under the terms of these land leases. Leases of plant and properties generally have lease terms between 2 and 3 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of right-of-use assets and the movements during the Relevant Periods are as follows:

The Group

	Leasehold land	Plant and properties	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2024	12,776	10,777	23,553
Depreciation charge	(459)	(5,153)	(5,612)
Exchange rate fluctuation	–	6	6
As at 31 December 2024 and 1 January 2025	12,317	5,630	17,947
Additions	–	3,057	3,057
Depreciation charge	(459)	(4,588)	(5,047)
As at 31 December 2025	11,858	4,099	15,957

The Company

	Leasehold land
	RMB'000
As at 1 January 2024	12,776
Depreciation charge	(459)
As at 31 December 2024 and 1 January 2025	12,317
Depreciation charge	(459)
As at 31 December 2025	11,858

At the end of each of the Relevant Periods, the Group's and the Company's leasehold land located in Yangzhou city with a net carrying amount of RMB12,317,000 and RMB11,858,000, respectively, were pledged to secure banking borrowings granted to the Group (note 21).

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the Relevant Periods are as follows:

The Group

	As at 31 December	
	2024	2025
	RMB'000	*RMB'000*
Carrying amount at the beginning of the year	11,147	5,846
New leases	–	3,057
Accretion of interest recognised during the year	387	243
Payments	(5,694)	(5,052)
Exchange rate fluctuation	6	–
Carrying amount at the end of the year	5,846	4,094
Analysed into:		
Current portion	3,690	3,691
Non-current portion	2,156	403

The maturity analysis of lease liabilities is disclosed in note 33 to the Historical Financial Information.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

The Group

	Year ended 31 December	
	2024	2025
	RMB'000	*RMB'000*
Interest on lease liabilities	387	243
Depreciation charge of right-of-use assets	5,612	5,047
Expense relating to short-term leases and low-value leases	641	267
Total amounts recognised in profit or loss	6,640	5,557

(d) The total cash outflow for leases is disclosed in note 28 to the Historical Financial Information.

15. INTANGIBLE ASSETS

The Group

	In-licensed commercialised drug	Software	Total
	RMB'000	*RMB'000*	*RMB'000*
31 December 2024			
Cost at 1 January 2024, net of accumulated amortisation and impairment	5,116	170	5,286
Additions	5,000	1,041	6,041
Amortisation provided during the year	(1,036)	(29)	(1,065)
Exchange rate fluctuation	125	–	125
At 31 December 2024	9,205	1,182	10,387
At 31 December 2024 and at 1 January 2025:			
Cost	10,376	1,245	11,621
Accumulated amortisation and impairment	(1,171)	(63)	(1,234)
Net carrying amount	9,205	1,182	10,387
31 December 2025			
Cost at 1 January 2025, net of accumulated amortisation and impairment	9,205	1,182	10,387
Amortisation provided during the year	(1,031)	(125)	(1,156)
Exchange rate fluctuation	(188)	–	(188)
At 31 December 2025	7,986	1,057	9,043
At 31 December 2025:			
Cost	10,145	1,245	11,390
Accumulated amortisation and impairment	(2,159)	(188)	(2,347)
Net carrying amount	7,986	1,057	9,043

The Company

	Software
	RMB'000
31 December 2024	
Cost at 1 January 2024, net of accumulated amortisation	–
Additions	1,041
Amortisation provided during the year	(9)
At 31 December 2024	1,032
At 31 December 2024 and at 1 January 2025:	
Cost	1,041
Accumulated amortisation	(9)
Net carrying amount	1,032

	Software
	RMB'000
31 December 2025	
Cost at 1 January 2025, net of accumulated amortisation	1,032
Amortisation provided during the year	(104)
At 31 December 2025	928
At 31 December 2025:	
Cost	1,041
Accumulated amortisation	(113)
Net carrying amount	928

16. INVESTMENTS IN AN ASSOCIATE

	As at 31 December	
	2024	2025
	RMB'000	*RMB'000*
Share of net assets	–	63,366

Particulars of the associate are as follows:

Name	Particulars of issued shares held	Place of registration and business	Ownership interest attributable to the Group	Principal activities
R1 Therapeutics, Inc.	Class B common shares with priority dividend	United States of America	31.24%	Research and development

The investments in R1 Therapeutics represents the non-monetary consideration received related to the R1 Agreement. The details of the transaction is set out in note 5 to the Historical Financial Information.

The following table illustrates the summarised financial information in respect of R1 Therapeutics adjusted for any differences in accounting policies with the Group and reconciled to the carrying amount in the consolidated financial statements of the Company:

	As at 31 December
	2025
	RMB'000
Current assets	266,180
Current liabilities	(5,964)
Net assets	260,216
Reconciliation to the Group's interest in the associate:	
Less: the holders of class A preferred shares of net assets of the associate	(57,380)
Proportion of the Group's ownership	31.24%
Carrying amount of the investment	63,366
Loss and other comprehensive loss for the period from share subscription date to 31 December 2025	(9,077)

17. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December	
	2024	2025
	RMB'000	*RMB'000*
Non-current:		
Prepayment for equipment	4,323	–
Rental deposits	1,480	1,291
Value-added tax recoverable	72,278	91,305
Other deposits	600	–
Total	78,681	92,596
Current:		
Prepayments	2,370	9,748
Deposits	104	843
Other receivables	204	671
Deferred issue cost	–	6,021
Total	2,678	17,283

The Company

	As at 31 December	
	2024	2025
	RMB'000	*RMB'000*
Non-current:		
Prepayment for equipment	4,323	–
Value-added tax recoverable	53,673	86,624
Other deposits	600	–
Total	58,596	86,624
Current:		
Prepayments	324	158
Deposits	11	606
Other receivables	184	288
Deferred issue cost	–	6,021
Total	519	7,073

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. In addition, there is no significant change in the economic factors based on the assessment of the forward-looking information, so the directors of the Company are of the opinion that the ECLs in respect of these balances are minimal.

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group and the Company

	As at 31 December	
	2024	2025
	RMB'000	*RMB'000*
Wealth management products	–	145,460

The above wealth management products were issued by banks in Chinese mainland. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

19. CASH AND CASH EQUIVALENTS AND TIME DEPOSITS

The Group

	As at 31 December	
	2024	2025
	RMB'000	*RMB'000*
Cash and bank balances	343,770	358,325
Time deposits with original maturity over three months *(note (a))*	22,291	27,375
Denominated in		
RMB	347,852	187,609
USD	18,168	198,085
AUD	34	–
HKD	7	6

The Company

	As at 31 December	
	2024	2025
	RMB'000	*RMB'000*
Cash and bank balances	331,010	327,763
Time deposits with original maturity of over three months *(note (a))*	22,291	27,375
Denominated in		
RMB	340,343	158,070
USD	12,958	197,068

The 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 authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

Note:

(a) The above investments represent time deposits with initial term of over three months when acquired (including three months) issued by commercial bank with annual return rate rating from 1.15% to 1.3% (2024: annual return rate rating from 1.2% to 1.5%). None of these investments are past due or impaired. None of these deposits are pledged.

20. TRADE AND OTHER PAYABLES

The Group

	As at 31 December	
	2024	2025
	RMB'000	*RMB'000*
Current:		
Trade payables	25,880	67,767
Payroll payables	15,935	18,119
Tax payables other than profit tax	2,494	3,205
Other payables	41,964	9,910
Payables for property, plant and equipment	113,384	49,619
Accrued [**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Total	199,657	168,937
Non-current:		
Other payables	18,595	1,936

The Company

	As at 31 December	
	2024	2025
	RMB'000	*RMB'000*
Current:		
Trade payables	951	33,005
Payroll payables	201	510
Tax payables other than profit tax	246	825
Other payables	41,495	7,549
Payables for property, plant and equipment	112,710	49,620
Accrued [**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Total	155,603	111,826
Non-current:		
Other payables	18,595	1,936

An ageing analysis of the trade payables as at the end of the Relevant Periods, based on the invoice date, is as follows:

The Group

	As at 31 December	
	2024	2025
	RMB'000	*RMB'000*
Within 1 year	25,880	67,767

The Company

	As at 31 December	
	2024	2025
	RMB'000	*RMB'000*
Within 1 year	951	33,005

The trade payables are non-interest-bearing and are normally settled on 30 to 60 day terms.

21. INTEREST-BEARING BANK BORROWINGS

The Group

		31 December 2024			31 December 2025		
	Note	Effective interest rate	Maturity		Effective interest rate	Maturity	
		(%)		*RMB'000*	*(%)*		*RMB'000*
Current							
Bank loans — unsecured		3.5%-3.8%	2025	28,000			–
Non-current							
Bank loans — secured	*(a)*	3.6%-3.95%	2027-2030	445,300	3.5%-4.2%	2027-2030	545,326
Total				473,300			545,326

	As at 31 December	
	2024	2025
	RMB'000	*RMB'000*
Analysed into:		
Bank loans:		
Within 1 year	28,000	–
1 to 5 years	400,000	545,326
Beyond five years	45,300	–
Total	473,300	545,326

The Company

	Note	31 December 2024			31 December 2025		
		Effective interest rate	Maturity		Effective interest rate	Maturity	
		(%)		RMB'000	(%)		RMB'000
Non-current							
Bank loans — secured	(a)	3.6%-4.0%	2027-2030	445,300	3.5%-4.2%	2027-2030	545,326
Total				445,300			545,326

	As at 31 December	
	2024	2025
	RMB'000	RMB'000
Analysed into:		
Bank loans:		
1 to 5 years	400,000	545,326
Beyond five years	45,300	–
Total	445,300	545,326

Note:

(a) The Group's and the Company's bank facilities amounting to RMB800,000,000 during the Relevant Periods of which RMB445,300,000 and RMB545,326,000 had been utilised as at 31 December 2024 and 31 December 2025, which are secured by the Shanghai Alebund Pharmaceuticals Limited and certain of the buildings, machineries, and a land use right of the Company located in Yangzhou city. The bank borrowings were also pledged by a 50% equity interest in Alebund Pharmaceuticals (Jiangsu) Limited held by Alebund Pharmaceuticals (Hong Kong) Limited in 2023 which were cancelled in 1 March 2024. The bank borrowings are subject to a covenant that requires the Company to maintain a gearing ratio less than 90%. The covenant is tested when the Group needs to apply for the new loans.

22. CONTRACT LIABILITIES

	As at 31 December	
	2024	2025
	RMB'000	RMB'000
Amounts received in advance for R1 Agreement *(note 5)*	–	67,074
Amounts received in advance for the sale of products	–	127
Total	–	67,201

23. DEFERRED INCOME

	As at 31 December	
	2024	2025
	RMB'000	RMB'000
Government grants related to assets	40,305	49,195

The Group received government grants of RMB28,461,000 and RMB13,479,000 from local government to subsidise the Group's purchase of property, plant and equipment during the years ended 31 December 2024 and 2025, respectively. The Group recorded the grants as deferred income in non-current liabilities, which is recognised as other income on a straight-line basis over the expected useful lives of the related assets.

24. REDEMPTION LIABILITIES ON ORDINARY SHARES

Following the unwinding of the red-chip holding structure in April 2024, the Company issued 2,845,424 series A shares, 3,271,347 series A+ shares, 5,054,130 series B shares, 3,545,560 series B+ shares, 1,256,574 series Pre-C shares with a par value of USD1.00 per share to several independent investors for a cash consideration of USD3.0458 per share, USD6.2585 per share, USD11.8715 per share, USD15.2302 per share and USD16.3550 per share, respectively.

In December 2024, the Company issued 3,751,716 series C shares with a par value of USD1.00 per share to several independent investors for a cash consideration of RMB115.2806 per share.

The key terms of the shares are summarised as follows:

(a) General redemption rights

Upon occurrence of the following events, the shares shall be redeemable by the Company at the option of the shareholders:

(i) The Company fails to achieve a qualified [**REDACTED**] or qualified overall sale of the Company before 30 June 2030;

(ii) any founder of the Company terminates his business relationship with the Group or ceases to hold any interest in the Group, directly or indirectly;

(iii) any founder of the Company (1) breaches any of its undertakings, agreements, obligations or other terms under the transaction documents; (2) causes a material loss to the Group; (3) misappropriation or theft of funds or assets of the Group or (4) infringement of patents, know-how or other intellectual property rights of the Group;

(iv) any subsidiary seriously violates its commitments, agreements, obligations or other terms under the transaction documents, causing significant losses to the Group.

The redemption amount is calculated as the sum of the original issue price of the shares, plus interest from the date of the initial investment by the then investors to Alebund Biotech Inc. calculated at an annual simple interest rate of 8% of the original investment principal plus any dividends declared but unpaid.

(b) Liquidation preferences

In the event of any liquidation, dissolution, winding up of the Company or deemed liquidation event, holders of the shares shall be entitled to be paid out of the funds and assets available for distribution to the members of the Company, an amount per share equal to the original issue price for each series equity share at 10% interest rate per annum, plus any dividends declared but unpaid thereon in the sequence as follows:

(1) series C shares

(2) series Pre-C shares

(3) series B+ shares

(4) series B shares

(5) series A+ shares

(6) series A shares

(c) Anti-dilution right

If the Company increases its paid-in capital at a price lower than the price paid by the investors on a per paid-in capital basis, the investors have a right to require the Company to issue additional paid-in capital for nil consideration to the investors or receive cash compensation, so that the total amount paid by the investors divided by the total amount of paid-in capital obtained is equal to the price per paid-in capital in the new issuance.

Presentation and classification

The Group had consistently recognised redemption liabilities on ordinary shares measured at amortised cost as not all redemption events are within the control of the Company. Any changes in the carrying amount of the financial liabilities were recorded to profit or loss.

The Company did not have any contractual obligation to the investors before April 2024 and no redemption liabilities were recognised before April 2024 since that Alebund Biotech Inc., the former ultimate parent of the Company, rather than the Company, issued series A, A+, B, B+ and pre-C shares to the investors before April 2024 and the Company issued such shares to the same investors after the completion of the unwinding of the red-chip holding structure.

Redemption liabilities on ordinary shares as at 31 December 2024 are classified as current liabilities as the redemption events can be triggered at any time. Pursuant to the supplemental shareholders' agreement dated on 26 September 2025, the general redemption rights granted to the shareholders, which were redeemable by the Company, were irrevocably terminated and the redemption liabilities on ordinary shares were credited to other reserve.

The movements of redemption liabilities on ordinary shares of the Company are set out as follows:

	RMB'000
As at 1 January 2024	–
Issue of ordinary shares	1,405,040
Interest payable incurred on behalf of Alebund Biotech Inc. *(note (a))*	279,870
Accretion of interest	27,720
As at 31 December 2024 and 1 January 2025	1,712,630
Issue of ordinary shares	172,500
Accretion of interest	90,781
Termination of redemption liabilities on ordinary shares	(1,975,911)
As at 31 December 2025	–

Note:

(a) Pursuant to the terms of the shareholders' agreements, the interest calculation period begins when the funding from series A to Pre-C round investors was transferred to Alebund Biotech Inc..

25. PAID-IN CAPITAL/SHARE CAPITAL

The Company was incorporated in May 2021 with an initial registered capital of USD30,000,000. For the change of paid-in capital before the Relevant Periods, please refer to the section headed "History, Development and Corporate Structure" in the Document.

A summary of movements in the Company's paid-in capital/share capital during the Relevant Periods is as follows:

	Number of ordinary shares	**Paid-in capital/ share capital**
		RMB'000
As at 1 January 2024	N/A	195,597
Capital reduction *(a)*	N/A	(175,905)
Capital injection *(a)*	N/A	133,923
As at 31 December 2024 and 1 January 2025	N/A	153,615
Capital injection *(b)*	N/A	38,172
Conversion into a joint stock company *(c)*	258,000,000	66,213
Capital injection *(d)*	25,096,831	25,097
As at 31 December 2025	283,096,831	283,097

Notes:

(a) In April 2024, Alebund Pharmaceuticals (Hong Kong) Limited reduced USD26,980,000 paid-in capital of the Company. In 2024, certain third-party investors subscribed USD18,813,000 paid-in capital, with RMB133,923,000 and RMB1,280,794,000 credited to the Company's paid-in capital and capital reserve, respectively.

(b) From January to August 2025, certain investors subscribed USD5,324,000 paid-in capital, with RMB38,172,000 and RMB162,612,000 credited to the Company's paid-in capital and capital reserve, respectively.

(c) Pursuant to the shareholders' resolutions and the promoters' agreement dated 30 September 2025, the shareholders of the Company agreed to convert the Company into a joint stock company with limited liability. The net assets of the Company as of the conversion base date were converted into 258,000,000 ordinary shares at RMB1.00 each. The excess of the net assets converted over the nominal value of the ordinary shares was credited to the Company's capital reserve. Upon the completion of registration with the Administration of Market Regulation of Yangzhou City on 10 October 2025, the Company was converted into a joint stock company with limited liability under PRC Company Law.

(d) In October 2025, the Company completed its crossover financing and raised additional RMB335,000,000 by issuing 25,096,831 number of shares with no redemption features at a price of RMB13.35 per share, with RMB25,097,000 and RMB309,903,000 credited to the Company's share capital and capital reserve, respectively.

26. SHARE-BASED PAYMENTS

Alebund Cayman restricted shares

On 15 April 2021, Alebund Biotech Inc. ("**Alebund Cayman**"), the former ultimate parent of the Company, granted 313,346 restricted shares to two directors of Alebund Cayman at a purchase price of USD0.0001 per share. 156,674 restricted shares shall vest immediately and 156,672 restricted shares shall vest as to one-third of the total number of restricted shares on the first anniversary of the vesting commencement date, and the remaining two-thirds (2/3) of the total number of the restricted shares shall vest upon each successive monthly anniversary for the next 24 months following first anniversary of the vesting commencement date.

On 5 July 2021, Alebund Cayman granted 203,513 restricted shares of Alebund Cayman to two directors of the Company at a purchase price of USD0.0001 per share. Such restricted shares shall vest as to 25% of the total number of restricted shares on the first anniversary of the vesting commencement date, and the remaining restricted shares shall vest upon each successive monthly anniversary for the next 36 months following first anniversary of the vesting commencement date.

On 30 June 2023, Alebund Cayman granted 315,000 restricted shares of Alebund Cayman to two directors of the Company at a purchase price of USD0.0001 per share. Such restricted shares shall vest as to 25% of the total number of restricted shares on the first anniversary of the vesting commencement date, and the remaining restricted shares shall vest upon each successive monthly anniversary for the next 36 months following first anniversary of the vesting commencement date.

All these restricted shares were vested before or immediately upon completion of the unwinding of the red-chip holding structure in April 2024 and the underlying shares granted under the Cayman plan transferred to the ordinary shares of the Company.

The fair values of the restricted shares as at the grant date were determined with reference to the fair value of ordinary shares on the grant date, using a back-solve method. Major inputs used for the determination of the fair value of ordinary shares are listed as follows:

	15 April 2021	5 July 2021	30 June 2023
Expected volatility	55.24%	52.84%	60.88%
Dividend yield	0%	0%	0%
Risk-free interest rate	1.13%	0.95%	4.23%
Fair value per share	117.44	125.59	154.22

2025 Share Option Plan

In August 2025, the shareholders of the Company approved and adopted a share option plan ("**2025 Share Option Plan**") to attract and retain talents of the Company. On 29 August 2025, the Company granted 3,943,401 (before joint conversion) share options to certain directors and employees through share platforms, of which 3,165,916 share options with exercise price ranges from USD0.18 to USD2.84 per share shall vest immediately upon grant and 777,485 share options with exercise price of USD3.00 per share shall vest 12 months after the date of successful [**REDACTED**] of the Company.

No share options were exercised during the Relevant Periods.

The fair values of the share options as at the grant date were determined by a binomial model, taking into account the terms and conditions upon which the options were granted. Major inputs used for the determination of the fair value of share options are listed as follows:

	29 August 2025
Expected volatility	58.83%
Dividend yield	0%
Risk-free interest rate	1.82%
Fair value per share option	73.96-92.84

During the years ended 31 December 2024 and 2025, share-based payment compensation expenses of RMB21,900,000 and RMB260,761,000 were charged to profit or loss, respectively.

27. RESERVES

The Group

The amounts of the Group's capital reserve and other reserves and the movements therein for the Relevant Periods are presented in the consolidated statement of changes in equity.

(a) Capital reserve

The capital reserve of the Group represents the difference between the paid-in capital/share capital and the consideration received and the difference between the aggregate of the then net assets of the non-controlling interests acquired and the consideration paid by the Group.

(b) Share-based payment reserve

The share-based payment reserve represents the equity-settled share awards as set out in note 26 to the Historical Financial Information.

(c) Other reserves

Other reserves of the Group represent the impact of redemption features of the ordinary shares as stipulated in note 24 to the Historical Financial Information, the effect of acquisition of subsidiaries under common control, the effect of share of other reserve of an associate and the effect of deemed contribution from a related party.

The Company

	Capital reserve	Share-based payment reserve	Other reserves	Accumulated losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2024	–	–	9,228	(26,344)	(17,116)
Total comprehensive loss for the year	–	–	–	(264,488)	(264,488)
Deemed contribution from a related party	–	–	1,000	–	1,000
Capital reduction	–	–	(16,326)	–	(16,326)
Capital injection	1,280,794	–	–	–	1,280,794
Recognition of redemption liabilities on ordinary shares	–	–	(1,681,712)	–	(1,681,712)
Acquisition of subsidiaries under common control	–	–	(627,117)	–	(627,117)
As at 31 December 2024 and 1 January 2025	1,280,794	–	(2,314,927)	(290,832)	(1,324,965)
Total comprehensive loss for the year	–	–	–	(424,087)	(424,087)
Capital injection	472,515	–	–	–	472,515
Recognition of redemption liabilities on ordinary shares	–	–	(172,500)	–	(172,500)
Termination of redemption liabilities on ordinary shares	–	–	1,975,911	–	1,975,911
Conversion into a joint stock company	(616,550)	–	–	550,337	(66,213)
Share-based payment compensation	–	260,761	–	–	260,761
As at 31 December 2025	1,136,759	260,761	(511,516)	(164,582)	721,422

28. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the Relevant Periods, the Group had non-cash additions to right-of-use assets of nil and RMB3,057,000, and non-cash additions to lease liabilities of nil, RMB3,057,000, respectively, in respect of lease arrangements for plant and properties.

During the year ended 31 December 2025, the Group recognised contract liabilities of RMB67,074,000 in exchange for the subscription for 13,253,968 class B common shares in R1 Therapeutics.

(b) Changes in liabilities arising from financing activities

	Interest-bearing bank borrowings	Lease liabilities	Amounts due to a related party	Other payables to investors	Redemption liabilities on ordinary shares	Accrued [REDACTED]
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	173,455	11,147	877,275	80,134	–	[REDACTED]
Changes from financing cash flows	285,477	(5,694)	(496,272)	33,064	–	[REDACTED]
Deemed contribution from a related party	–	–	(381,003)	–	–	[REDACTED]
Interest payable incurred on behalf of Alebund Biotech Inc.	–	–	–	–	279,870	[REDACTED]
Issue of ordinary shares	–	–	–	–	1,405,040	[REDACTED]
Transfer to share capital and capital reserve	–	–	–	(73,198)	–	[REDACTED]
Interest expense	13,569	387	–	–	27,720	[REDACTED]
Exchange rate fluctuation	–	6	–	–	–	[REDACTED]

	Interest-bearing bank borrowings	Lease liabilities	Amounts due to a related party	Other payables to investors	Redemption liabilities on ordinary shares	Accrued [REDACTED]
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2024	472,501	5,846	–	40,000	1,712,630	[REDACTED]
Changes from financing cash flows	53,032	(5,052)	–	(40,000)	–	[REDACTED]
New leases	–	3,057	–	–	–	[REDACTED]
Interest expense	19,523	243	–	–	90,781	[REDACTED]
[REDACTED]	–	–	–	–	–	[REDACTED]
Deferred issue costs	–	–	–	–	–	[REDACTED]
Changes from operating cash flows	–	–	–	–	–	[REDACTED]
Recognition of redemption liabilities on ordinary shares	–	–	–	–	172,500	[REDACTED]
Termination of redemption liabilities	–	–	–	–	(1,975,911)	[REDACTED]
At 31 December 2025	545,056	4,094	–	–	–	[REDACTED]

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statements of cash flows is as follows:

	Year ended 31 December	
	2024	2025
	RMB'000	*RMB'000*
Within operating activities	641	267
Within financing activities	5,694	5,052
Total	6,335	5,319

29. COMMITMENTS

(a) The Group had the following contractual commitments at the end of the Relevant Periods:

	As at 31 December	
	2024	2025
	RMB'000	*RMB'000*
Buildings	86,412	1,869
Plant and machinery	42,533	2,489
Total	128,945	4,358

30. RELATED PARTY TRANSACTIONS

(a) Significant related party transactions:

	Year ended 31 December	
	2024	2025
	RMB'000	*RMB'000*
Loans to related parties:		
AleyuanGX Limited *(a)*	7,196	–
Yangzhou Liyue Consulting Management Partnership (Limited Partnership) *(a)*	–	5
Total	7,196	5

	Year ended 31 December	
	2024	2025
	RMB'000	*RMB'000*
Interest income from loans to related parties:		
Dr. Gavin Guoyao Xia	115	61
Jin Tian, M.D.	91	61
Total	206	122

Note a: AleyuanGX Limited and Yangzhou Liyue Consulting Management Partnership (Limited Partnership) are controlled by Dr. Gavin Guoyao Xia.

	Year ended 31 December	
	2024	2025
	RMB'000	*RMB'000*
Settlements of loans to related parties:		
AleyuanGX Limited	–	7,196
Dr. Gavin Guoyao Xia	2,560	3,129
Jin Tian, M.D.	1,000	2,851
Total	3,560	13,176

	Year ended 31 December	
	2024	2025
	RMB'000	*RMB'000*
Debt waived by a related party:		
Alebund Biotech Inc.	352,980	–
Acquisition of subsidiaries under common control:		
Alebund Biotech Inc.	373,620	–
Loans from a related party:		
Alebund Biotech Inc.	32,554	–
Repayments of loans to a related party:		
Alebund Biotech Inc.	528,826	–

Due to the acquisition of subsidiaries under common control, the difference between the debt waived by Alebund Biotech Inc. and the consideration paid to Alebund Biotech Inc. was debited to other reserve.

(b) Outstanding balances with related parties:

	As at 31 December	
	2024	2025
	RMB'000	*RMB'000*
Non-trade:		
Amounts due from related parties:		
Dr. Gavin Guoyao Xia	3,068	–
Jin Tian, M.D.	2,790	–
AleyuanGX Limited	7,196	–
Yangzhou Liyue Consulting Management Partnership (Limited Partnership)	–	5
Total	13,054	5
Trade:		
Contract liabilities:		
R1 Therapeutics, Inc.	–	67,074

The balances with related parties are unsecured and non-interest-bearing, except for the balances with Dr. Gavin Guoyao Xia and Jin Tian, M.D. with interest rate of 3.55% and 3.85% per annum during the Relevant Periods. Amounts due from related parties are non-trade in nature. Amount due from Yangzhou Liyue Consulting Management Partnership (Limited Partnership) was settled in February 2026.

The Group has assessed the expected loss rate for amounts due from related parties by considering the financial position and credit history of these related parties and assessed that the expected credit loss is minimal.

(c) Compensation of key management personnel of the Group:

	Year ended 31 December	
	2024	2025
	RMB'000	*RMB'000*
Salaries, allowances and benefits in kind	17,803	22,251
Pension scheme contributions	282	325
Equity-settled share-based payments	21,900	234,933
Total	39,985	257,509

Further details of directors' and the chief executive's emoluments are included in note 8 to the Historical Financial Information.

31. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

Financial assets at fair value

	As at 31 December	
	2024	2025
	RMB'000	*RMB'000*
Financial assets at fair value through profit or loss	–	145,460

Financial assets at amortised cost

	As at 31 December	
	2024	2025
	RMB'000	*RMB'000*
Amounts due from related parties	13,054	5
Trade receivables	865	–
Financial assets included in prepayments, other receivables and other assets	2,388	2,805
Cash and cash equivalents	343,770	358,325
Time deposits with original maturity over three months	22,291	27,375
Total	382,368	388,510

Financial liabilities at amortised cost

	As at 31 December	
	2024	2025
	RMB'000	*RMB'000*
Financial liabilities included in trade and other payables	199,823	149,549
Redemption liabilities on ordinary shares	1,712,630	–
Interest-bearing bank borrowings	473,300	545,326
Total	2,385,753	694,875

32. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, time deposits with original maturity over three months, trade receivables, amounts due from related parties, financial assets included in prepayments, other receivables and other assets, redemption liabilities on ordinary shares and financial liabilities included in trade and other payables approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the finance director is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the head of finance.

The fair values of the financial assets are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The Group invests in financial assets at FVTPL, which represent wealth management products issued by banks. The fair values are based on cash flows discounted using the expected yield rate.

The fair values of the interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank borrowings as at the Relevant Periods were assessed to be insignificant.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss	–	145,460	–	145,460

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise bank borrowings, cash and short term deposits and financial assets at fair value through profit or loss. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with a floating interest rate.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings) and the Group's equity.

	Increase/(decrease) in basis points	(Decrease)/Increase in profit before tax	(Decrease)/Increase in equity
		RMB'000	*RMB'000*
Year ended 31 December 2024			
RMB	50	655	655
RMB	(50)	(655)	(655)
Year ended 31 December 2025			
RMB	50	715	715
RMB	(50)	(715)	(715)

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from currencies other than the units' functional currencies.

The following table demonstrates the sensitivity at the end of each of the Relevant periods to a reasonably possible change in the USD exchange rates, with all other variables held constant, of the Group's loss before tax and the Group's equity.

	Increase/(decrease) in rate of foreign currency	Increase/(decrease) in profit before tax	Increase/(decrease) in equity
	%	*RMB'000*	*RMB'000*
Year ended 31 December 2024			
If RMB weakens against USD	(5)	947	(947)
If RMB strengthens against USD	5	(947)	947
Year ended 31 December 2025			
If RMB weakens against USD	(5)	9,853	(9,853)
If RMB strengthens against USD	5	(9,853)	9,853

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, time deposits with maturity over three months and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the operations and mitigate the effects of fluctuations in cash flows.

The maturity profile of the Group's financial liabilities as at the end of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

	Within 1 year or on demand	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024				
Lease liabilities	3,869	2,194	–	6,063
Financial liabilities included in other payables and accruals	181,228	18,595	–	199,823
Redemption liabilities on ordinary shares	1,712,630	–	–	1,712,630
Interest-bearing bank borrowings	45,657	455,736	46,094	547,487
Total	1,943,384	476,525	46,094	2,466,003

	Within 1 year or on demand	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*
31 December 2025			
Lease liabilities	3,768	404	4,172
Financial liabilities included in other payables and accruals	147,613	1,936	149,549
Interest-bearing bank borrowings	19,117	629,366	648,483
Total	170,498	631,706	802,204

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements, except for a covenant of the bank borrowings that requires the Company to maintain a gearing ratio less than 90%. As at 31 December 2025, the Company's gearing ratio was 43%, in compliance with this covenant. No changes were made in the objectives, policies or processes for managing capital during the years ended the Relevant Periods. The gearing ratio is calculated by dividing total liabilities by total assets.

34. EVENTS AFTER THE RELEVANT PERIODS

[There were no significant events occurred after the Relevant Periods.]

35. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Group or any of the companies now comprising the Group in respect of any period subsequent to 31 December 2025.

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

The following is the text of a letter and a valuation certificate prepared for the purpose of incorporation in this document received from AVISTA Valuation Advisory Limited, an independent valuer, in connection with its valuation as at 31 March 2026 of the property interests held by the Company.

AVISTA Valuation Advisory
艾華迪評估諮詢

Suites 2401-06, 24/F, Everbright Centre, 108 Gloucester Road,
Wan Chai, Hong Kong

TEL：+852 3702 7338 FAX：+852 3914 6388

info@avaval.com

www.avaval.com

[●] 2026

The Board of Directors
Alebund Pharmaceuticals (Jiangsu) Limited (禮邦醫藥(江蘇)股份有限公司)
Building 7, No. 7 Jinzhuang Road, Gaoxin District, Hanjiang District, Yangzhou City, Jiangsu Province, the PRC

Dear Sirs/Madams,

INSTRUCTIONS

In accordance with the instructions of Alebund Pharmaceuticals (Jiangsu) Limited (禮邦醫藥(江蘇)股份有限公司) (the "**Company**") for us to carry out the valuation of the property interests (the "**Property**") located in the People's Republic of China (the "**PRC**") held by the Company, we confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property as at 31 March 2026 (the "**Valuation Date**").

BASIS OF VALUATION AND VALUATION STANDARDS

Our valuation is carried out on a market value basis, which is defined by the Royal Institution of Chartered Surveyors as "*the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*".

In valuing the Property, we have complied with all the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), the RICS Valuation – Global Standards 2024 published by the Royal Institution of Chartered Surveyors ("**RICS**") and the International Valuation Standards published from time to time by the International Valuation Standards Council.

VALUATION ASSUMPTIONS

Our valuation of the Property excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value or costs of sale and purchase or offset for any associated taxes.

No allowance has been made in our report for any charges, mortgages or amounts owing on any of the Property valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

In the course of our valuation of the Property in the PRC, we have relied on the advice given by the Company and its legal adviser, being Zhong Lun Law Firm (中倫律師事務所) (the "**PRC Legal Adviser**"), regarding the titles to the Property.

In valuing the Property, we have relied on a legal opinion regarding the Property provided by the PRC Legal Adviser dated [●] (the "**PRC Legal Opinion**"). Unless otherwise stated, the Company has legally obtained the land use rights of the Property.

No environmental impact study has been ordered or made. Full compliance with applicable national, provincial and local environmental regulations and laws is assumed.

VALUATION METHODOLOGY

In valuing the Property, due to the nature of the buildings and structures of the subject property, there are no market sales comparables readily available. We have valued the property interests on the basis of their depreciated replacement cost. Depreciated replacement cost is defined as "*the current cost of replacing an asset with its modern equivalent asset less deduction for physical deterioration and all relevant forms of obsolescence and optimization*". It is based on an estimation of the market value for the existing use of the land, plus the current cost of replacement (reproduction) of the building, including the improvements, less deductions for physical deterioration and all relevant forms of obsolescence and optimization.

TITLE INVESTIGATION

We have been provided with copies of documents in relation to the title of the Property in the PRC. Where possible, we have examined the original documents to verify the existing title to the Property in the PRC and any material encumbrance that might be attached to the Property or any tenancy amendment. All documents have been used for reference only and all dimensions, measurements and areas are approximate. In the course of our valuation, we have relied considerably on the PRC Legal Opinion given by the PRC Legal Adviser, concerning the validity of the title of the Property in the PRC.

SITE INVESTIGATION

We have inspected the exteriors and, where possible, the interior of the subject property. The site inspection was carried out on 16 September 2025 by Bobby Chan (Assistant Manager). He is a chartered surveyor and has more than 5 years of experience in valuation of properties in the PRC.

In the course of our inspection, we did not note any serious defects. However, we have not carried out an investigation on site to determine the suitability of ground conditions and services for any development thereon, nor have we conducted structural surveys to ascertain whether the subject property is free of rot, infestation, or any other structural defects. Additionally, no tests have been carried out on any of the utility services. Our valuation has been prepared on the assumption that these aspects are satisfactory. We have further assumed that there is no significant pollution or contamination in the locality which may affect any future developments.

SOURCE OF INFORMATION

Unless otherwise stated, we shall rely to a considerable extent on the information provided to us by the Company, the PRC Legal Adviser, or other professional advisors on such matters as statutory notices, planning approvals, zoning, easements, tenures, completion date of buildings, development proposal, identification of the property, particulars of occupation, site areas, floor areas, matters relating to tenure, tenancies and all other relevant matters.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also sought confirmation from the Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view and we have no reason to suspect that any material information has been withheld.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

LIMITING CONDITION

Wherever the content of this report is extracted and translated from the relevant documents supplied in Chinese context and there are discrepancies in wordings, those parts of the original documents will take prevalent.

CURRENCY

Unless otherwise stated, all monetary amounts stated in this report are in Renminbi (RMB).

Our valuation certificate is attached below.

Yours faithfully,
For and on behalf of
AVISTA Valuation Advisory Limited
Vincent C B Pang
MRICS CFA FCPA FCPA Australia
RICS Registered Valuer
Managing Partner

Note: Mr. Vincent C B Pang is a member of Royal Institution of Chartered Surveyors (RICS) and a registered valuer of RICS. He has over 10 years' experience in valuation of properties including Hong Kong, the PRC, the U.S., and East and Southeast Asia.

VALUATION CERTIFICATE

Property interests held for owner occupation by the Company in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 March 2026
				RMB
1.	No. 7 Jinzhuang Road, Gaoxin District, Yangzhou City, Jiangsu Province, the PRC (中國江蘇省揚州市高新區金莊路7號)	The property comprises sixteen 1- to 6-storey industrial buildings, with a total gross floor area of approximately 53,711.52 sq.m. The property was held for owner occupation as at the Valuation Date. As advised by the Company, the property was completed in 2024. The property is located at No. 7 Jinzhuang Road of Yangzhou City, with approximately 16.0 km to Yangzhou Railway Station and 55.2 km to Yangzhou Taizhou International Airport. The land use rights of the property have been granted for a term expiring on 21 November 2051 for industrial use.	The property was occupied by the Company as at the Valuation Date.	422,780,000 (100% interest attributable to the Company: 422,780,000)

Notes:

1. Pursuant to a Land Use Rights Grant Contract — 3210272021CR0032 dated 8 November 2021 between Yangzhou Municipal Bureau of Planning and Natural Resources (揚州市規劃和自然資源局) and Alebund Biopharmaceuticals (Jiangsu) Co., Ltd. (禮邦生物醫藥(江蘇)有限公司, "**Alebund Biopharmaceuticals**"), which is now renamed to Alebund Pharmaceuticals (Jiangsu) Limited (禮邦醫藥(江蘇)股份有限公司, the "**Company**"), the land use rights of a parcel of land with a site area of approximately 70,740.00 sq.m. have been granted to the Company for a term of 30 years for industrial use at a total land premium of approximately RMB13,369,860.

   As revealed from the aforesaid contract, the property is subject to the following material development conditions:

Permitted Use	:	Industrial
Plot Ratio	:	≥ 1.0 and ≤ 2.0
Height Restriction	:	≤ 24m
Site Coverage	:	≥ 40% and ≤ 50%
Greening Rate	:	≥ 10% and ≤ 15%

2. Pursuant to 16 Real Estate Ownership Certificates issued by the Yangzhou Municipal Bureau of Planning and Natural Resources (揚州市規劃和自然資源局), the land use rights and the building ownership of the property have been vested in the Company, with the details as follows:

No.	Certificate No.	Land Usage	Building Usage	Expiry Date	Site Area	Gross Floor Area
					(sq.m.)	*(sq.m.)*
1	Su (2025) Yang Zhou Shi Bu Dong Chan Quan Di No. 0061421	Industrial	Industrial	21 November 2051	70,740.00	5,861.40
2	Su (2025) Yang Zhou Shi Bu Dong Chan Quan Di No. 0061419	Industrial	Industrial	21 November 2051	70,740.00	1,587.84
3	Su (2025) Yang Zhou Shi Bu Dong Chan Quan Di No. 0061444	Industrial	Industrial	21 November 2051	70,740.00	7,986.87
4	Su (2025) Yang Zhou Shi Bu Dong Chan Quan Di No. 0061453	Industrial	Industrial	21 November 2051	70,740.00	6,324.29

No.	Certificate No.	Land Usage	Building Usage	Expiry Date	Site Area	Gross Floor Area
					(sq.m.)	*(sq.m.)*
5 . .	Su (2025) Yang Zhou Shi Bu Dong Chan Quan Di No. 0061443	Industrial	Industrial	21 November 2051	70,740.00	16,298.13
6 . .	Su (2025) Yang Zhou Shi Bu Dong Chan Quan Di No. 0061416	Industrial	Industrial	21 November 2051	70,740.00	6,226.57
7 . .	Su (2025) Yang Zhou Shi Bu Dong Chan Quan Di No. 0061451	Industrial	Industrial	21 November 2051	70,740.00	3,896.65
8 . .	Su (2025) Yang Zhou Shi Bu Dong Chan Quan Di No. 0061445	Industrial	Industrial	21 November 2051	70,740.00	2,960.74
9 . .	Su (2025) Yang Zhou Shi Bu Dong Chan Quan Di No. 0061452	Industrial	Industrial	21 November 2051	70,740.00	117.03
10 .	Su (2025) Yang Zhou Shi Bu Dong Chan Quan Di No. 0061447	Industrial	Industrial	21 November 2051	70,740.00	662.13
11 .	Su (2025) Yang Zhou Shi Bu Dong Chan Quan Di No. 0061449	Industrial	Industrial	21 November 2051	70,740.00	662.13
12 .	Su (2025) Yang Zhou Shi Bu Dong Chan Quan Di No. 0061430	Industrial	Industrial	21 November 2051	70,740.00	805.48
13 .	Su (2025) Yang Zhou Shi Bu Dong Chan Quan Di No. 0061418	Industrial	Industrial	21 November 2051	70,740.00	150.67
14 .	Su (2025) Yang Zhou Shi Bu Dong Chan Quan Di No. 0061450	Industrial	Industrial	21 November 2051	70,740.00	75.55
15 .	Su (2025) Yang Zhou Shi Bu Dong Chan Quan Di No. 0061457	Industrial	Industrial	21 November 2051	70,740.00	24.40
16 .	Su (2025) Yang Zhou Shi Bu Dong Chan Quan Di No. 0061446	Industrial	Industrial	21 November 2051	70,740.00	71.64
Total: .						**53,711.52**

3. As advised by the Company, the details of the property are set out as below:

Classification	Usage	Gross Floor Area
		(sq.m.)
Property interests held for owner occupation by the Company in the PRC	Industrial	53,460.90
	Ancillary	250.62
	Total:	**53,711.52**

4. We have been provided with the PRC Legal Opinion, which contains, inter alia, the following: –

   a. The Company has legally and validly obtained the land use rights and the building ownership of the property under the terms of the Real Estate Ownership Certificates;

   b. The land use rights of the property have been pledged to Bank of China Limited Yangzhou Branch (中國銀行股份有限公司揚州分行); and

   c. The property has not been subjected to any other encumbrances.

5. Our valuation has been made on the following basis and analysis:

   In our valuation of the land use rights, we have considered and analyzed 3 land sale comparables in the vicinity. The site values of the land sales range from RMB294 to RMB295 per sq.m. for industrial use. The unit rate adopted in the valuation is consistent with the unit rates of the relevant comparables after due adjustments in terms of location, time and size, etc.

   Regarding the building portion, the current replacement cost of the building is assessed by determining the construction cost of a modern substitute building with the same service capacity as the building which is being valued. The adjusted replacement costs range from RMB4,100 per sq.m. to RMB10,100 per sq.m. for industrial buildings and RMB10,000 per sq.m. to RMB13,000 per sq.m. for ancillary buildings based on our research of the local construction costs. The replacement cost adopted in the valuation is consistent with the findings of our research.

This Appendix contains a summary of the principal provisions of the Company's Articles of Association. The major objective of this Appendix is to provide potential [**REDACTED**] with an overview of the Company's Articles of Association, and therefore it may not contain all the information that may be important to potential [**REDACTED**].

SHARES AND REGISTERED CAPITAL

Shares of the Company shall take the form of share certificates.

The shares of the Company shall be issued in accordance with the principles of openness, fairness and justice. Each share of the same class shall carry the same rights.

Shares of the same class and the same issuance 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 it/he/she subscribes issued in the same offering.

INCREASE, REDUCTION, REPURCHASE AND TRANSFER OF SHARES

Increase and Reduction of Shares

Based on its operation and development needs, in accordance with the relevant laws and regulations, and subject to the separate resolutions of the general meeting, the Company may increase its capital by any of the following ways:

(i) public issuance of shares;

(ii) non-public issuance of shares;

(iii) distribution of bonus shares to existing Shareholders;

(iv) conversion of capital reserve into share capital;

(v) other means permitted by laws, administrative regulations and the securities regulatory rules of the place where the shares of the Company are listed.

The Company may reduce its registered capital. The reduction of registered capital shall comply with the procedures stipulated in the Company Law and other relevant regulations as well as the Articles of Association.

Repurchase of Shares

The company shall not purchase its shares. However, the following circumstances are excluded:

(i) reduction of the Company's registered capital;

(ii) mergers with another company holding shares of the Company;

(iii) use of shares for employee shareholding scheme or equity incentives;

(iv) Shareholders who object to resolutions of the general meeting on merger or division of the Company requesting the Company to purchase their shares;

(v) use of shares for conversion of corporate bonds issued by the Company which are convertible into shares;

(vi) where it is necessary for the Company to preserve its value and Shareholders' interest.

Where the Company purchases its shares under the circumstances set forth in items (i) and (ii) above, the purchase shall be resolved at a general meeting. Where the Company purchases its shares under the circumstances set forth in items (iii), (v) and (vi) above, a resolution thereon may, pursuant to the securities regulatory rules of the place where the shares of the Company are listed, be resolved at a Board meeting that is attended by more than two-thirds of the Directors according to the provisions of the Articles of Association.

After purchasing the company's shares, the company shall fulfill its information disclosure obligations in accordance with the Securities Law, the regulations of the stock exchange where the company's stocks are listed, and other securities regulatory rules.

With respect to domestic listed shares, upon the purchase of its shares by the Company pursuant to the above provisions, under the circumstance set forth in item (i), such shares shall be cancelled within 10 days from the day of purchase; under the circumstances set forth in items (ii) and (iv), such shares shall be transferred or cancelled within six months; under the circumstances set forth in items (iii), (v) and (vi), the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and shall be transferred or cancelled within three years.

The Company may purchase its own shares by the centralized trading or by any other means recognized by the laws, administrative regulations, the CSRC and the stock exchange(s) of the place where the shares of the Company are listed.

Transfer of Shares

Shares of the Company that were issued prior to a public issue shall not be transferred within one year from the date on which shares of the Company are listed and traded on stock exchange.

Directors and senior management of the Company shall report to the Company their holdings of shares of the Company and the changes thereof. During their term of office determined at the time of taking office, the shares transferred by any of them each year shall not exceed 25% of the total shares of the Company held by them. The above personnel shall not transfer the shares of the Company held by them within 6 months after the expiry of their term of office. If laws, administrative regulations or the securities regulatory authority where the company's shares are listed have other provisions on matters related to the restrictions on the transfer, such provisions shall prevail.

Where Directors, senior management and Shareholders holding 5% or above shares of the Company sell the shares of the Company or other securities with an equity nature within 6 months after purchasing the same, or purchase the shares of the Company or other securities with an equity nature as held within 6 months after selling the same, the earnings arising therefrom shall belong to the Company, and the Board of the Company shall recover such earnings. However, the restriction shall not be applicable to a securities company holding 5% or above of the shares of the Company as a result of its purchase of the remaining unsold shares underwritten by it and other circumstances stipulated by the securities regulatory department of the place where the company's shares are listed.

SHAREHOLDERS AND GENERAL MEETINGS

Shareholders

The Company shall establish a register of members with the evidence provided by the securities registration authority. The register of members shall be sufficient evidence of the holding of the shares of the Company by the Shareholders. Shareholders shall enjoy the rights and assume the obligations according to the class of the shares they hold. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

Shareholders of the Company shall enjoy the following rights:

(i) to receive dividends and other distributions in proportion to the shares they hold;

(ii) to request, convene, hold, attend or appoint a proxy to attend general meetings and exercise the corresponding voting rights in accordance with laws;

(iii) to supervise, present suggestions on or make inquiries about the operations of the Company;

(iv) to transfer, gift or pledge the shares it holds in accordance with laws, administrative regulations, securities regulatory rules of the place where the company's shares are listed and regulations of the Articles of Association;

(v) to inspect and copy the Articles of Association, register of members, minutes of general meetings, resolutions of Board meetings, resolutions of financial reports; Shareholders who meet the statutory requirements may inspect the Company's accounting books and accounting vouchers;

(vi) in the event of termination or liquidation of the Company, to participate in the distribution of the remaining property of the Company in proportion with the number of shares held by them;

(vii) to require the Company to purchase their shares in the event of an objection to the resolutions of the general meeting on merger or division of the Company;

(viii) to enjoy other rights stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed and regulations of the Articles of Association.

If any resolution of a general meeting or the Board is in violation of the laws or administrative regulations, Shareholders shall have the right to request the People's court to invalidate the said resolution. If the convening procedures and voting method of the general meetings or Board meetings are in violation of the laws, administrative regulations or the Articles of Association or if the contents of any resolution are in breach of the Articles of Association, Shareholders shall have the right to request the People's court to revoke such resolution within 60 days from the date on which the resolution is approved. However, unless there are only minor defects in the convening procedures or voting methods of the general meeting or the Board, which have no material impact on the resolution.

Shareholders of the Company shall assume the following obligations:

(i) to abide by the laws, administrative regulations and the Articles of Association;

(ii) to pay capital contribution as per the shares subscribed for and the method of subscription;

(iii) not to return Shares unless prescribed otherwise in laws and regulations;

(iv) not to abuse Shareholders' rights to impair the interests of the Company or other shareholders; not to abuse the independent status of the juridical person or Shareholders' limited liabilities to impair the interests of the creditors of the Company;

(v) to assume other obligations prescribed by the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Shareholders of the Company who abuse their Shareholders' rights and thereby cause loss on the Company or other Shareholders shall be liable for loss compensation according to the laws. Where Shareholders of the Company abuse the Company's position as an independent juridical person and the limited liabilities of Shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such Shareholders shall be jointly and severally liable for the debts owed by the Company.

General Provisions for General Meeting

The general meeting of the Company is composed of all shareholders. The general meeting is the organ of authority of the Company and shall exercise the following duties and powers in accordance with laws:

(i) to elect and replace Directors and to determine matters relating to the remuneration of the Directors;

(ii) to consider and approve the reports of the Board;

(iii) to consider and approve the profit distribution plan and loss recovery plans of the Company;

(iv) to resolve on the increase or reduction of the registered capital of the Company;

(v) to resolve on the issue of corporate bonds;

(vi) to resolve on the merger, division, dissolution, liquidation or change in corporate form of the Company;

(vii) to amend the Articles of Association;

(viii) to resolve on the appointment and dismissal of accounting firms by the Company;

(ix) to consider and approve the guarantee issues specified in the Articles of Association;

(x) to consider matters relating to the purchase and sale of material assets by the Company within one year, where such assets are valued at more than 30% of the Company's most recent audited total assets;

(xi) to consider and approve matters relating to changes in the use of proceeds;

(xii) to consider share incentive scheme and employee shareholding scheme;

(xiii) to consider other matters to be resolved by the general meeting as required by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed and regulations of the Articles of Association.

The general meeting may authorize the Board to make resolutions on the issuance of corporate bonds.

The following provision of external guarantees by the Company is subject to the consideration and approval of the general meeting:

(i) any guarantee after the total amount of the external guarantees provided by the Company and its holding subsidiaries exceeding 50% of the latest audited net assets;

(ii) any guarantee after the total amount of the external guarantees provided by the Company exceeding 30% of the latest audited total assets;

(iii) the amount of the guarantees provided by the Company within one year exceeding 30% of the latest audited total assets;

(iv) any guarantee to be provided to a recipient of such security whose asset to liability ratio is over 70%;

(v) any single guarantee with an amount exceeding 10% of the latest audited net assets;

(vi) any guarantee provided to Shareholders, de facto controllers, and their related parties (Excluding the Company and its holding subsidiaries);

(vii) any guarantees required by relevant laws and administrative regulations, securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

The general meetings are classified into annual general meetings and extraordinary general meetings. The annual general meetings shall be convened once a year within six months from the end of the previous fiscal year.

The Company shall convene an extraordinary general meeting within two months from the date of occurrence of any of the following circumstances:

(i) when the number of directors falls short of the statutory number specified in the Company Law or is less than two-thirds of the number specified in the Articles of Association;

(ii) when the uncovered loss of the Company reaches one-third of its total paid-up share capital;

(iii) upon written request(s) by shareholder(s) individually or collectively holding 10% or above of the shares of the Company;

(iv) when the Board deems it necessary;

(v) when the Audit Committee proposes such a meeting be held;

(vi) other circumstances required by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

If the extraordinary general meeting is convened in response to the securities regulatory rules of the place where the company's shares are listed, the actual date of the extraordinary general meeting may be adjusted according to the approval progress of the stock exchange(s) of the place where the shares of the Company are listed.

Summoning of General Meetings

The Board shall convene the general meeting on time within the specified period. Subject to the consent of more than half of the independent non-executive directors, the independent non-executive directors have the right to propose to the Board to convene an extraordinary general meeting. With regard to the proposal made by the independent non-executive directors for convening an extraordinary general meeting, the Board shall, in accordance with the laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association, provide a written response indicating whether it agree or disagree to convene the extraordinary general meeting within 10 days upon receipt of the proposal. Where the Board agrees to convene the general meeting, a notice of convening such meeting shall be issued within 5 days after the resolution of the Board is made. Where the Board does not agree to convene the extraordinary general meeting, it shall provide reasons and notify all shareholders in an appropriate manner.

The Audit Committee proposes to the Board to convene an extraordinary general meeting, such proposal shall be made in writing to the Board. The Board shall, in accordance with laws, administrative regulations and the Articles of Association, give a written reply on whether or not it agrees to convene the extraordinary general meeting within 10 days upon receipt of the proposal.

Where the Board agrees to convene the general meeting, a notice of convening such meeting shall be issued within 5 days after the resolution of the Board is made. Any change to the original proposal in the notice shall be subject to the approval of the Audit Committee.

Where the Board does not agree to convene the extraordinary general meeting or fails to reply within 10 days after receipt of the proposal, it shall be deemed to be unable to perform or fail to perform the duty of convening the general meeting, and the Audit Committee may convene and preside over the meeting by itself.

Shareholders who individually or jointly hold more than 10% of the Company's shares are entitled to request the Board to convene an extraordinary general meeting and such requisition shall be made in writing to the Board. The Board shall, in accordance with laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed, and the Articles of Association, give a written reply on whether or not it agrees to convene the extraordinary general meeting within 10 days upon receipt of the requisition.

Where the Board agrees to convene the general meeting, a notice of convening such meeting shall be issued within 5 days after the resolution of the Board is made. Any change to the original requisition in the notice shall be subject to the approval of relevant shareholders.

Where the Board does not agree to convene the extraordinary general meeting or fails to reply within 10 days after receipt of the requisition, shareholders who individually or jointly hold more than 10% of the Company's shares propose the Audit Committee to convene the extraordinary general meeting, such requisition shall be made in writing to the Audit Committee.

Where the Audit Committee agrees to convene the general meeting, a notice of convening such meeting shall be issued within 5 days after receipt of the requisition. Any change to the original requisition in the notice shall be subject to the approval of relevant shareholders.

If the Audit Committee fails to issue the notice of the meeting within the specified period, it shall be deemed that the Audit Committee does not convene and preside over the general meeting. Shareholders who individually or jointly hold more than 10% of the Company's shares for more than 90 consecutive days may convene and preside over the general meeting by themselves.

If the general meeting is convened by the Audit Committee or shareholders on their own, it shall notify the Board in writing. Before the announcement of the resolution of the general meeting, the shareholding of shareholders who convene the meeting shall not be less than 10%.

Where the Audit Committee or the shareholders convene a general meeting on their own, the necessary expenses incurred thereof shall be borne by the Company. The Board and the board secretary will cooperate. The Board will provide the register of members as of the record date for equity.

Proposal and Notice of General Meetings

When the Company convenes a general meeting, the Board, the Audit Committee and shareholders who individually or jointly hold more than 1% of the Company's shares shall be entitled to put forward proposals to the Company.

Shareholders who individually or jointly hold more than 1% of the Company's shares may submit provisional proposals in writing to the convener 10 days prior to the convening of the general meeting. The convener shall issue a supplementary notice of the general meeting within 2 days upon receipt of the proposals to announce the contents of the provisional proposal and submit the provisional proposals to the general meeting for consideration, however, except for the provisional proposals that violates the requirements of the laws, administrative regulations or the Articles of Association, or are not within the terms of reference of the general meeting.

Except as provided in the preceding paragraph, the convener shall not change the proposals set out in the notice of the general meeting or add any new proposal after the said notice is served.

Proposals not set out in the notice of the general meeting or not complying with the Articles of Association shall not be voted on or resolved at the general meeting.

The convener shall notify all shareholders at least 20 days prior to the convention of an annual general meeting, or at least 15 days prior to the convention of an extraordinary general meeting. Where the laws, administrative regulations or listing rules of the place where the Company's shares are listed provide otherwise, such rules shall prevail. The Company shall not include the date of convention of meeting into the calculation of starting time.

Notice of the general meeting shall contain:

(i) the date, venue and duration of the meeting;

(ii) matters and proposals submitted for consideration at the meeting;

(iii) a clear statement that: each shareholder is entitled to attend the general meeting in person, or appoint one or more proxies who need not be shareholders of the Company, to attend and vote on his/its behalf;

(iv) the date of record for the determination of shareholders who are entitled to attend the general meeting;

(v) name and telephone number of permanent contact person;

(vi) time and procedures for voting online or by other means.

Convening of General Meetings

All shareholders whose names appear on the register of members on the record date or their proxies are entitled to attend the general meeting and exercise their voting rights in accordance with the relevant laws, regulations, securities regulatory rules of the place where the shares of the Company are listed, and the Articles of Association, unless individual shareholders are required to abstain voting from individual matter as stipulated by the securities regulatory rules of the place where the shares of the Company are listed.

Shareholders may attend a general meeting in person, or may appoint a proxy to attend and vote on his/her behalf.

An individual shareholder that attends the meeting in person shall produce his or her own identity card or other valid documents or proof evidencing his or her identity. If he or she appoints a proxy to attend the meeting on his or her behalf, the proxy shall produce his or her own valid proof of identity and the power of attorney issued by the shareholder.

Shareholder who is a corporation shall attend and vote at a meeting by its legal representative or a proxy appointed by the legal representative. If the legal representative attends the meeting, he or she shall produce his or her own identity card and a valid proof of his or her legal representative status. If a proxy has been appointed to attend the meeting, such proxy shall present his or her own identity card and the power of attorney issued by the legal representative of the shareholder as a corporation, except for shareholder who is a recognized clearing house and its nominees as defined in the relevant ordinances in force from time to time under the laws of Hong Kong or the securities regulatory rules of the place where the shares of the Company are listed. If such corporate shareholder has appointed a proxy to attend the meeting in accordance with the provisions of the Articles of Association, it shall be deemed to be present in person.

If the shareholder is a recognized clearing house or its nominees, it may authorize one or more persons it deems fit to act as its representative at any general meeting or any meeting of creditors; however, if more than one person is so authorized, the power of attorney shall specify the number and class of shares in respect of which each such person is so authorized. A person so authorized may exercise rights on behalf of the recognized clearing house (or its nominees) (no shareholding voucher, notarized authorization and/or further evidence of the duly authorization is required), as if such person is an individual shareholder of the Company.

The power of attorney issued by a shareholder to appoint a proxy to attend any general meeting shall contain the following:

(i) name of the shareholder, and the number and class of shares;

(ii) name of the proxy;

(iii) instructions for voting for, against or abstaining from voting on each matter to be considered on the agenda of general meeting;

(iv) the date of issuance and term of validity of the power of attorney;

(v) the signature (or seal) of the shareholder. In the case of a corporate shareholder, the seal of the juridical person shall be affixed.

If the power of attorney is signed by other personnel authorized by consignor, the power of attorney for authorized signature or other authorization documents should be certified by a notary. The power of attorney or other authorization documents upon notarized shall, together with the power of attorney for voting, be placed at the domicile of the Company or such other location as specified in the notice of the meeting.

If the consignor is a legal person, its legal representative or any person authorized by resolutions of the Board or other decision-making institutions shall attend the general meeting on behalf of the consignor.

A general meeting shall be presided over by chairman of the Board. Where the chairman of the Board is unable or fails to perform his/her duties, the meeting shall be presided over by a Director jointly elected by more than half of the Directors. A general meeting convened by the Audit Committee shall be presided over by the chairman of the Audit Committee. Where the chairman of the Audit Committee is unable or fails to perform his/her duties, the meeting shall be presided over by an Audit Committee member jointly elected by more than half of the Audit Committee members. A general meeting convened by Shareholders shall be presided over by a representative elected by convener(s). Where the host of the meeting violates the rules of procedure and makes it impossible to continue the meeting, with the consent of more than half of the shareholders present at the meeting with voting rights, the general meeting may elect a person to serve as the host of the meeting and continue the meeting.

Voting of General Meetings

Resolutions of the general meeting include ordinary resolutions and special resolutions. An ordinary resolution at a general meeting shall be passed by one half or above of the voting rights held by shareholders attending and entitled to vote at the general meeting. A special resolution at a general meeting shall be passed by two-thirds or above of the voting rights held by shareholders attending and entitled to vote at the general meeting.

The following matters shall be resolved by an ordinary resolution at a general meeting:

(i) work reports of the Board;

(ii) plans formulated by the Board for the distribution of profits and for making up losses;

(iii) appointment and removal of the members of the Board, their remunerations and methods of payment;

(iv) matters other than those required by the laws and administrative regulations and the securities regulatory rules of the place(s) where the shares of the Company are listed or by the Articles of Association to be adopted by special resolution

The following matters shall be resolved by a special resolution at a general meeting:

(i) the increase or reduction of share capital of the Company;

(ii) the split, spin-off, merger, dissolution and liquidation (including voluntary winding-up) of the Company;

(iii) the amendment of the Articles of Association and its annexes;

(iv) the purchase and sale of material assets or amount of guarantee provided 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) any other matters as required by the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association, and any other matters considered by the general meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the Company and should be adopted by a special resolution.

Shareholders have the right to exercise their voting rights based on the number of voting shares they represent. Each share is entitled to one vote, except for shareholders of class shares.

The shares held by the Company have no voting rights, and that part of the shareholding shall not be counted as the total number of shares with voting rights held by shareholders attending the meeting.If a shareholder purchases voting shares of the Company in violation of the provisions of Article 63(1) and (2) of the Securities Law, the voting rights of such shares in excess of the prescribed proportion shall not be exercised for a period of thirty-six months after the purchase and shall not be counted as part of the total number of voting shares present at the general meeting. Where under applicable laws, regulations and the SEHK Listing Rules, any shareholder is required to abstain from voting on a resolution or is restricted to voting only in favor of (or against) a resolution, any votes cast by such shareholder or its proxy in breach of such requirement or restriction shall be disregarded.

When a connected transaction is considered at a general meeting, the connected shareholders shall refrain from voting and the number of voting shares that they represent shall not be counted the total number of valid voting shares. Resolutions of the general meeting shall fully explain the voting of non-connected shareholders.

BOARD OF DIRECTORS

Directors

Directors of the Company shall be natural persons. They shall possess the qualifications required by laws, administrative regulations, rules and securities regulatory rules of the place where the company's shares are listed. A person may not serve as a Director of the Company in case of any of the following circumstances:

(i) the person is without civil conduct capacity or with limited civil conduct capacity;

(ii) the person who has committed an offence of corruption, bribery, conversion of property, misappropriation of property or sabotage of 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 five years have elapsed since the date of the completion of implementation of such punishment or deprivation, or if suspension of the sentence is announced, it has not been two years since completion of probation;

(iii) the person who is a former director, factory director or 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 three 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 three years have elapsed since the date of such revocation of the business license;

(v) the person is listed as a dishonest judgement debtor who is liable for a relatively large amount of debts that are overdue;

(vi) the person subject to securities market entry restrictions imposed by the CSRC, with the restriction period not yet expired;

(vii) the person is publicly deemed by a stock exchange as unsuitable to serve as a director and senior management of a listed company;

(viii) other contents stipulated by laws, administrative regulations, departmental rules, the listing rules of the place where the shares of the Company are listed.

Directors shall be elected or replaced at the general meeting and may be dismissed by the general meeting prior to the expiry of the term of their office. However, such removal from office does not affect the director's claim for damages under any contract. A Director shall serve a term of three years and may serve consecutive terms if re-elected upon the expiration of their terms.

The term of office of a Director shall commence on the date of assuming office and end on the expiry of the term of the current Board. Where a re-election fails to be carried out in a timely manner upon the expiry of the term of office of a Director, such Director shall continue to perform his/her duties as a Director in accordance with the laws, administrative regulations, departmental rules, the listing rules of the place where the shares of the Company are listed and the Articles of Association until the newly elected Director assumes the office.

Senior management officers may serve concurrently as Directors, provided that the total number of such Directors who concurrently serve as senior management officers and the employee representatives shall not exceed a half of the total number of the Directors of the Company.

Directors may resign prior to the expiration of their terms of office. The Directors who resign shall submit to the Board a written report in relation to their resignation. The resignation takes effect from the date the Company receives the resignation letter. In the event that the resignation of any Director results in the number of members of the Board falling below the statutory minimum requirement, the resigned Directors shall continue to perform his/her duties in accordance with laws, administrative regulations, departmental rules the listing rules of the place where the shares of the Company are listed and the Articles of Association until the newly elected Director assumes the office.

The Company has established a director resignation management system to clarify the safeguards for unfulfilled public commitments and other outstanding matters. When the resignation of a Director takes effect or the term of office expires, all transfer procedures shall be completed to the Board, and the fidelity obligations of the director to the Company and the Shareholders shall not be automatically discharged after the end of the term of office, but shall remain valid for three years after the resignation of the director takes effect or the term of office expires; when a director's resignation takes effect or his term of office expires, the confidential obligations of the director to the Company's commercial secrets shall remain valid until the secrets become public known. The Directors' responsibilities in the performance of their duties during their term of office shall not be relieved or terminated by reason of their departure from office.

The Board

The Company has established a Board which shall be accountable to the general meetings. The Board shall consist of 8 Directors. The Company shall have one chairman.The chairman shall be elected by more than half of all the Directors.

The Board shall exercise the following powers:

(i) to convene general meetings and report its work to the general meetings;

(ii) to implement the resolutions of the general meetings;

(iii) to formulate business 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 plans of the Company regarding increase or reduction of the registered capital, issuance of bonds or other securities and listing;

(vi) to draft plans for major acquisitions of the Company, the purchase of Shares of the Company, merger, division, dissolution or change in the form of the Company;

(vii) to determine, extent authorized by the general meeting, on such matters as the external investments, purchase or sale of assets, assets mortgage, external guarantee, entrusted wealth management, connected transactions, and external donations of the Company;

(viii) to determine the internal management structure of the Company;

(ix) to determine the appointment or dismissal of the manager or other senior management of the Company and decide on their remuneration, rewards and penalties; and based on the nomination of the manager, to determine the appointment or dismissal of the senior management including financial controller of the Company and determine their remuneration, rewards and penalties;

(x) to formulate the basic management system of the Company;

(xi) to formulate proposals for any amendment of the Articles of Association;

(xii) to propose to the general meeting for appointment or replacement of the accounting firms which provide audit services to the Company;

(xiii) to listen to work reports of the manager of the Company and review his/her work;

(xiv) other duties as stipulated in laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

The chairman of the Board shall exercise the following duties and powers:

(i) to convene and preside over Board meetings, and to preside over general meetings;

(ii) to supervise and examine the implementation of resolutions of Board;

(iii) other duties and powers granted by the Board.

The Board shall hold at least four meetings per year, which shall be convened by the chairman and all directors shall be notified in writing 14 days before the meeting (excluding the day on which the meeting is held).

Shareholders representing more than one-tenth of the voting rights, more than one-third of the Directors, or the Audit Committee members, more than half of the independent non-executive directors may propose to convene an extraordinary meeting of the Board. The chairman of the Board shall convene and preside over the extraordinary meeting of the Board within 10 days from the receipt of the proposal.

The quorum of a Board meeting shall consist of more than one half of all Directors. A resolution of the Board shall be passed by more than half of all Directors. When voting on the resolutions of the Board, each Director shall have one vote.

Where a Director has any connected relationship with the enterprise involved in the matter to be decided at the meeting, he/she shall promptly submit a written report to the Board. Directors with connected relationship shall not exercise his/her voting rights on the resolution, nor shall he/she exercise his/her voting rights on behalf of other Directors. Such a Board meeting may be held only if more than one half of the Directors without a connected relationship are present, and the resolutions made at such a Board meeting shall require adoption by more than one half of the Directors without a connected relationship. If the number of non-connected Directors in presence is less than 3 persons, the matter shall be submitted to the general meeting for consideration.

Directors shall attend Board meetings in person. If any Director is unable to attend the meeting for any reason, he/she may by a written power of attorney appoint another Director to attend the meeting on his/her behalf. The power of attorney shall include the name of the proxy, the subject, scope of authorization and validity period, which shall be signed or officially sealed by the appointing Director. A Director appointed as the representative of another Director to attend the meeting shall exercise the rights within the scope of authorization. Where a Director does not attend a Board meeting and does not appoint a proxy to attend the meeting on his behalf, he/she shall be deemed to have waived his/her voting right at the meeting.

Independent non-executive Directors

Independent non-executive directors shall maintain their independence. The following individuals shall not act as independent non-executive directors:

(i) Persons employed by the Company or its subsidiaries, as well as their spouses, parents, children, and close social relations;

(ii) Natural person shareholders who directly or indirectly hold more than 1% of the company's issued shares or are among the top ten shareholders of the Company, as well as their spouses, parents, and children;

(iii) Persons working for shareholders who directly or indirectly hold more than 5% of the company's issued shares or for the top five shareholders of the company, as well as their spouses, parents, and children;

(iv) Persons working for affiliated enterprises of the company's controlling shareholder or actual controller, as well as their spouses, parents, and children;

(v) Persons who have significant business dealings with the company, its controlling shareholder, actual controller, or their respective affiliated enterprises, or who work for entities with such significant business dealings or their controlling shareholders or actual controllers;

(vi) Persons who provide financial, legal, consulting, sponsorship, or other services to the company, its controlling shareholder, actual controller, or their respective affiliated enterprises, including but not limited to all members of the project team of intermediary institutions providing such services, reviewers at all levels, signatories on reports, partners, directors, senior management personnel, and principal responsible persons;

(vii) Persons who, in the past 12 months, have fallen under any of the circumstances listed in items (i) to (vi) above;

(viii) Other individuals deemed non-independent under laws, administrative regulations, CSRC rules, stock exchange rules, securities regulatory rules and the Articles of Association.

Independent non-executive directors shall conduct an annual self-assessment of their independence and submit the results to the Board. The Board shall evaluate the independence of incumbent Independent non-executive directors annually and issue a special assessment opinion.

Independent non-executive directors shall exercise the following special powers:

(i) independently engage intermediary agencies to conduct audits, consultations, or verifications on specific matters of the Company;

(ii) propose to the Board the convening of an extraordinary general meeting of shareholders;

(iii) propose the convening of a Board meeting;

(iv) lawfully solicit shareholder rights from shareholders;

(v) express independent opinions on matters that may harm the interests of the Company or minority shareholders;

(vi) other powers stipulated by laws, administrative regulations, CSRC rules and the Articles of Association.

The exercise of the powers listed in items (i) to (iii) above shall be subject to the consent of more than half of all Independent non-executive directors.

The following matters shall be submitted to the Board for deliberation only after being approved by more than half of all Independent non-executive directors:

(i) related-party transactions that are required to be disclosed;

(ii) proposals for changes to or waivers of commitments made by the Company or relevant parties;

(iii) decisions and measures made by the Board of the listed company being acquired in response to the acquisition;

(iv) other matters stipulated by laws, administrative regulations, CSRC rules and the Articles of Association.

The Company establishes a mechanism for special meeting attended solely by Independent non-executive directors. Related party transactions should be pre-approved by the special meeting of Independent non-executive directors before being submitted to the Board for consideration.

The Company shall hold special meetings of Independent non-executive directors on a regular or ad hoc basis. Matters listed in items (i) to (iii) of the paragraph 1 of Article 132 of the Articles of Association shall be considered at a special meeting of Independent non-executive directors.

The special meetings of Independent non-executive directors shall be convened and presided over by an independent director jointly elected by a majority of the Independent non-executive directors; in the event that the convener fails to or is unable to perform his/her duties, two or more Independent non-executive directors may convene and elect a representative to preside over the meeting on their own.

Minutes of the special meetings of Independent non-executive directors shall be prepared as required, with the inclusion of the opinions of the Independent non-executive directors, who shall sign to confirm the minutes of the meetings.

Special Committees of the Board

The Board of the Company has established an Audit Committee, which shall exercise the functions and powers of the board of supervisors as prescribed by the Company Law.

The Audit Committee consists of three members, who are not senior management members of the Company, including two independent non-executive directors, and the convenors are accounting professionals among the independent non-executive directors.

The Audit Committee is responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating the internal and external audit work and internal control. Any of the following matters shall be subject to the affirmative votes of more than half of all the members of the Audit Committee before the Board makes a resolution:

(i) disclosing the financial and accounting reports, and financial statements and internal control evaluation report of periodic reports;

(ii) hiring or removing the accounting firm that undertakes the audit engagements of the Company;

(iii) appointing or removing the financial controller;

(iv) making changes to accounting policies or accounting estimates, or make corrections for material accounting errors for reasons other than changes in accounting standards; and

(v) any other matters authorized by the laws, administrative regulations, CSRC rules, other securities regulatory rules and the Articles of Association.

The Audit Committee shall hold a regular meeting at least once a quarter. An extraordinary meeting may be convened upon the proposal of two or more members or when the convener deems necessary. A meeting of the audit committee may only be held when more than two thirds of the members attended. Resolutions adopted at the Audit Committee meeting must be approved by more than half of all members of the Audit Committee. Resolutions of the Audit Committee shall be passed on a "one person one vote" basis.

The Board of the Company has established other special committees such as the Strategy Committee, the Nomination Committee, the Remuneration and Appraisal Committee, etc., which perform their duties in accordance with the Articles and the authorization of the Board. The proposals of the special committees shall be submitted to the Board for review and decision making. The working procedures of the special committees shall be formulated by the Board. Among them, Independent non-executive directors in the Nomination Committee and the Remuneration and Appraisal Committee shall be in majority and one of them acts as convener.

SENIOR MANAGEMENT

The Company shall have one general manager, who shall be appointed or dismissed by the Board. The Company's chief medical officer, chief executive officer, chief operating officer, and financial controller, are the senior executives of the Company.

The circumstances of disqualification for Directors and director resignation management system prescribed in the Articles of Association shall also be applicable to senior management.

The general manager shall serve for a term of 3 years and may serve consecutive terms if re-appointed.

The general manager shall report to the Board and exercise the following duties and powers:

(i) to take charge of the production, operation and management of the Company, organize the implementation of the Board, and report to the Board;

(ii) to organize the implementation annual business plans and investment plans of the Company;

(iii) to draft the plans for establishment of the internal management organization of the Company;

(iv) to draft the basic management system of the Company;

(v) to formulate the rules and regulations of the Company;

(vi) to propose to the Board the appointment or dismissal of the Company's deputy general manager and financial controller;

(vii) to determine the appointment or dismissal of management personnel other than those whose appointment or dismissal shall be determined by the Board;

(viii) other duties and powers as may be conferred by the Articles of Association or by the Board.

The senior management of the Company shall perform their duties faithfully, and safeguard the best interests of the Company and all Shareholders. If the senior management of the Company fails to perform their duties faithfully or violates their fiduciary duties, causing damage to the interests of the Company and public Shareholders, they shall be liable for compensation in accordance with the laws.

FINANCIAL ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT

Financial Accounting System

The Company shall formulate its financial and accounting systems in accordance with laws, administrative regulations and requirements of relevant PRC authorities.

The Company shall prepare its annual financial report within four months from the end of each fiscal year. The company's annual and semi-annual financial accounting reports are prepared in accordance with relevant laws, administrative regulations and departmental rules.

The Company shall not keep accounts other than those provided by law. Any assets of the Company shall not be kept under any account opened in the name of any individual.

Profit distribution

When distributing after-tax profits of the year, the Company shall set aside 10% of its after-tax profits for the Company's statutory reserve fund. When the aggregate balance in the statutory reserve fund has reached 50% or more of the Company's registered capital, the Company needs not make any further allocations to that fund. Where the Company's statutory reserve fund is not enough to make up losses of the Company for the preceding year, the current year's profits shall be first applied to make up the losses before being allocated to the statutory reserve in accordance with the preceding provision. Subject to a resolution passed at a general meeting, after allocation has been made to the Company's statutory reserve fund from its after-tax profits, the Company may set aside funds for the discretionary reserve fund.

Except for those not distributed in proportion as prescribed in the Articles of Association, the remaining after-tax profit, after recovery of losses and appropriation of statutory reserve funds, shall be distributed to Shareholders in proportion to their shareholdings. Where the general meeting distributes its profits to the shareholders in breach of the Company Law, Shareholders must refund to the Company the profits distributed in violation of the provisions. Where damages are caused to the Company, the shareholders and the responsible directors and senior management shall be liable for compensation.

No profit shall be distributed in respect of the shares of the Company which are held by the Company.

The reserve fund of the Company shall be used for making up for the loss, expansion of the operation or increase of capital of the Company. When the Company uses its reserve fund for making up for the loss, it shall first utilize the discretionary reserve fund and the statutory reserve fund. If the losses cannot be fully covered thereafter, the capital reserve fund may be used in accordance with applicable regulations. When the statutory reserve fund is capitalized, the retained portion of the fund shall not be less than 25% of the registered capital of the Company before the capitalization.

After the shareholders adopt a profit distribution resolution at the general meeting general meeting, or after the Board formulates a specific plan in accordance with the conditions and upper limit of the interim dividend for the next year that approved by the annual general meeting of shareholders, the Board must finish distributing the dividends (or shares) within two months.

Internal audit

The Company shall implement an internal audit system and clarify the leadership system, duties and authorities, staffing, financial support, application of audit results, and accountability.

The internal audit institution of the Company shall conduct supervision and inspection on the Company's business activities, risk management, internal control, financial information and other matters.

The audit institution shall be accountable to the Board.

Appointment of an Accounting Firm

The Company shall appoint an accounting firm in compliance with the Securities Law and the securities regulatory rules of the place where the shares of the Company are listed to conduct accounting statements audit, net assets verification and other related consulting services for a term of one year, which may be renewed.

The appointment and dismissal of the Company's accounting firm shall be decided by the general meeting. The Board shall not appoint the accounting firm until it is decided by the general meeting.

The Company shall undertake to provide its accounting firm with true and complete accounting vouchers, accounting books, financial reports and other accounting information, and shall not reject, conceal or misstate any information.

The audit fee payable to the accounting firm shall be decided by the general meeting.

When the Company intends to dismiss or not to reappoint an accounting firm, it shall give 30 days prior notice to the accounting firm. When a general meeting of the Company votes on the dismissal of the accounting firm, the firm shall be allowed to represent its opinions. Where the accounting firm resigns, it shall state to the general meeting whether the Company has improper circumstances.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase and Capital Reduction

The merger of the Company may take the form of either merger by absorption or merger by establishment of a new entity. One company absorbing another company is merger by absorption, and the company being absorbed shall be dissolved. Merger of two or more companies through establishment of a new company is merger by establishment of a new entity, and the parties to the merger shall be dissolved.

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within 10 days after the date of the Company's resolution on merger and shall make an announcement in the newspaper or the National Enterprise Credit Information Publicity System within 30 days after the date of the Company's resolution on merger. Creditors may demand the Company to repay debts or provide corresponding security within 30 days upon receipt of such notice or 45 days from the date of announcement in case of receiving no such notice.

Upon the merger, claims and debts of each of the merged parties shall be assumed by the company which survives the merger or the newly established company resulting from the merger.

When the Company is divided, its assets shall be split accordingly. In the event of a division of the Company, the Company shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days after the date of the Company's resolution on division and shall make an announcement in the newspaper or the National Enterprise Credit Information Publicity System within 30 days after the date of the Company's resolution on division.

The Company shall prepare a balance sheet and an inventory of assets when it intends to reduce its registered capital. The Company shall notify the creditors within 10 days upon resolution on reduction of registered capital by the general meeting and make announcement thereof in the newspapers or the National Enterprise Credit Information Publicity System within 30 days.

When the Company reduces its registered capital, it shall reduce the amount of capital contribution or shares in proportion to the shareholders' capital contribution or shareholding, unless otherwise stipulated by the laws or the Articles of Association.

When the merger or division of the Company involves changes in registered particulars, such changes shall be registered with the registration authority of the Company in accordance with the laws. When the Company is dissolved, the Company shall cancel its registration in accordance with the laws. When a new company is established, its establishment shall be registered in accordance with the laws.

In case of increase or reduction of registered capital of the Company, the Company shall legally complete the formalities for change registration with the registration authority of the Company.

Dissolution and Liquidation

The Company shall be dissolved upon the occurrence of any of the following events:

(i) the term of its operations as is stipulated in the Articles of Association has expired or other events of dissolution specified in the Articles of Association have occurred;

(ii) a resolution on dissolution is passed by general 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 that cannot be resolved through other means, and its continuation may cause substantial loss in Shareholders' interests, Shareholders representing 10% or above of the total voting rights of the Company may plead the people's court to dissolve the Company.

If the Company encounters the reasons for dissolution as stipulated in the preceding paragraph, it shall publicize the reasons for dissolution through the National Enterprise Credit Information Publicity System within ten days.

With regard to the occurrence of the situation described in sub-paragraph (i), (ii) above and has not yet distributed its property to shareholders, the Company may continue to exist by amending the Articles of Association or by resolution of the general meeting. Any amendments to the Articles of Association or any resolution of the shareholders' meeting made pursuant to the preceding paragraph shall be subject to the approval of Shareholders representing two-thirds or above of the voting rights present at the general meetings.

Where the Company is dissolved pursuant to sub-paragraph (i), (ii), (iv) or (v) above, it shall be liquidated. Directors are the obligors for liquidation of the Company and shall establish a liquidation group to carry out liquidation within fifteen days from the date when the cause for dissolution occurs. The liquidation group shall be composed of directors, except as otherwise provided in the Articles of Association or as resolved by the general meeting to elect others. If the liquidation obligor fails to perform the liquidation obligation in a timely manner and causes losses to the company or creditors, it shall bear the liability for compensation.

The liquidation committee shall notify creditors within 10 days from the date of its establishment, and publish an announcement in the newspapers or the National Enterprise Credit Information Publicity System within 60 days. Creditors shall declare their claims to the liquidation committee within 30 days from the date of receiving the notice, or within 45 days from the date of announcement in case they have not received the notice.

Creditors shall provide explanations and evidence for their claims upon their declarations of such claims. The liquidation committee shall record the creditors' claims.

The liquidation committee shall not pay off any debts to any creditors during period of credit declaration.

After checking the assets of the Company and preparing a balance sheet and property list, the liquidation committee shall formulate a liquidation plan for the confirmation by general meeting or the people's court. The remaining properties of the Company, after the payment for liquidation expenses, wages, social insurance premiums and statutory compensation of staffs, taxes and debts of the Company, shall be distributed to the 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 liquidation. The assets of the Company shall not be distributed to the shareholders until the settlement of debts in accordance with the preceding article.

If the liquidation committee, after checking the assets of the Company and preparing a balance sheet and property list, finds that the assets of the Company are insufficient to pay off its debts, it shall immediately file an application to the people's court for bankruptcy. After the Company is declared bankrupt by the people's court, the liquidation committee shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

Upon completion of liquidation of the Company, the liquidation committee shall prepare a liquidation report and submit the report to the general meeting or the people's court for confirmation, and submit the report to the company registration authority to apply for de-registration of the Company.

Where the Company is declared bankruptcy in accordance with law, it shall implement bankruptcy liquidation in accordance with the relevant laws relating to bankruptcy of enterprise.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association in any of the following circumstances:

(i) after amendments are made to the Company Law or other relevant laws, administrative regulations, and regulatory rules at the place where the shares of the Company are listed, any term contained in the Articles of Association become inconsistent with the said amendments;

(ii) if certain changes of the Company occur resulting in the inconsistency with certain terms specified in the Articles of Association;

(iii) the general meeting has resolved to amend the Articles of Association.

Where the amendments to the Articles of Association passed by resolutions of the general meeting require approval of the competent authorities, the amendments shall be submitted to the relevant authorities for approval. Where the amendments involve registration matters of the Company, the involved change shall be registered in accordance with the laws.

The Board shall amend the Articles of Association in accordance with the resolution of the general meetings on amendment to the Articles of Association and the examination and approval opinions from relevant authorities.

FURTHER INFORMATION ABOUT OUR COMPANY

Establishment of our Company

Our Company was established as a limited liability company in the PRC on May 20, 2021 and was converted into a joint stock limited company with limited liability on October 10, 2025 under the laws of the PRC. As of the Latest Practicable Date, the registered share capital of our Company is RMB283,096,831.

Our Company has established a place of business in Hong Kong at 46/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong and has been registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on November 24, 2025. Mr. Tse Yu Yeung (謝愉陽), one of our joint company secretaries, [has been appointed] as authorized representatives in Hong Kong and our agents for the acceptance of service of process in Hong Kong whose correspondence address is the same as our place of business in Hong Kong.

As we are established in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in "Summary of Articles of Association" in Appendix IV.

Changes in Share Capital of Our Company

Save as disclosed in "History, Development and Corporate Structure", there has been no other alteration in the share capital of our Company during the two years immediately preceding the date of this Document.

Changes in Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in the Accountants' Report in Appendix I.

The following subsidiaries have been incorporated within the two years immediately preceding the date of this Document:

On June 5, 2024, Alebund Pharmaceuticals (Yangzhou) Co., Ltd. (禮邦藥業(揚州)有限公司) was incorporated as a limited liability company in the PRC with a registered capital of RMB10,000,000.

On August 12, 2024, the issued share capital of Alebund HK was increased from USD51,308,848.23 to USD52,508,848.23.

On July 31, 2025, the issued share capital of Shanghai Alezyme was decreased from RMB11,960,000 to RMB8,970,000.

On March 31, 2026, Alebund Pharmaceutical (Shanghai) Co., Ltd. (禮邦醫藥(上海)有限公司) was incorporated as a limited liability company in the PRC with a registered capital of RMB10,000,000.

Save as disclosed above, there had been no other alterations of share capital of our subsidiaries within the two years preceding the date of this Document.

Resolutions of our Shareholders

Pursuant to the Shareholders' resolutions dated October 30, 2025, among other things, our Shareholders resolved that:

(a) the [**REDACTED**] by our Company of the H Shares of nominal value of RMB1.00 each and such H Shares being [**REDACTED**] on the Hong Kong Stock Exchange;

(b) the number of H Shares to be [**REDACTED**] shall be no more than [**REDACTED**]% of the total issued share capital of our Company as enlarged by the [**REDACTED**], and the grant to the [**REDACTED**] (or their representatives) of the [**REDACTED**] of not more than [**REDACTED**]% of the number of H Shares [**REDACTED**] pursuant to the [**REDACTED**];

(c) subject to the filing procedure with the CSRC, upon completion of the [**REDACTED**], [**REDACTED**] Unlisted Shares in aggregate will be converted into H Shares on a [**REDACTED**];

(d) 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 the Listing Rules; and

(e) authorization of the Board to handle matters relating to, among other things, the [**REDACTED**], the [**REDACTED**] and [**REDACTED**] of the H Shares.

FURTHER INFORMATION ABOUT OUR BUSINESS

Summary of Material Contract

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this Document that are or may be materials:

(a) [**REDACTED**].

Intellectual Property Rights

As of the Latest Practicable Date, our Group has registered, or has applied for the registration of the following intellectual property rights which were material to our Group's business.

Trademarks

As of the Latest Practicable Date, we have registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Registration Number	Owner	Date of Registration	Place of Registration
1. . .	ALEBUND	54563279	Shanghai Alebund	October 14, 2021	China
2. . .	Acaphate	81431861	The Company	April 7, 2025	China
3. . .	科菲宁	81457838	The Company	April 7, 2025	China
4. . .	邦圣宁	81431877	The Company	April 7, 2025	China
5. . .	邦圣平	81450247	The Company	April 7, 2025	China

No.	Trademark	Registration Number	Owner	Date of Registration	Place of Registration
6. . .	艾可雅	81469972	The Company	April 7, 2025	China
7 . . .	ALEBUND	306938047	The Company	June 20, 2025	Hong Kong
8 . . .	禮邦 礼邦	306938588	The Company	June 20, 2025	Hong Kong
9 . . .		306938038	The Company	June 20, 2025	Hong Kong

Patents

For material patents and patent applications of our Group as of the Latest Practicable Date, see paragraph headed "Business — Intellectual Property" for more details.

Domain Names

As of the Latest Practicable Date, we have registered the following internet domain names which we consider to be or may be material to our business:

No.	Domain Name	Registered Owner	Expiry Date
1.	www.alebund.com	The Company	May 18, 2032

Save as the above, as of the Latest Practicable Date, there were no other intellectual property rights which were material to our business.

FURTHER INFORMATION ABOUT OUR DIRECTORS, SENIOR MANAGEMENT AND SUBSTANTIAL SHAREHOLDERS

Interests and short positions of our Directors and chief executive of our Company in the Shares, underlying Shares and debentures of our Company and our associated corporations

Save as disclosed in the section headed "Substantial Shareholders", immediately following the completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised), so far as our Directors are aware, none of our Directors and chief executive has any interests and short positions 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) (i) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 [**REDACTED**] of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or (ii) which will be required, pursuant to [**REDACTED**] of the SFO, to be entered in the register referred to therein, or (iii) 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.

Interests of the substantial shareholders in the Shares

Save as disclosed in "Substantial Shareholders", immediately following the completion of the [**REDACTED**] and without taking into account any Shares which may be issued pursuant to the exercise 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 our 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.

Interests of the substantial shareholders in other members of our Group

As of the Latest Practicable Date, our Directors are not aware of any persons who would, immediately following the completion of the [**REDACTED**], be directly or indirectly interested in 10% or more of the issued voting shares of the members of our Group (other than our Company).

Particulars of Directors' Service Contracts

Each of the Directors [has] entered into a service contract or a letter of appointment with our Company.

Save as disclosed above, we have not entered into, and do not propose to enter into any service contracts with any of our Directors in their respective capacities as Directors (excluding agreements expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

Remuneration of Directors

Save as disclosed in "Directors and Senior Management" and Note 8 to the Accountants' Report set out in Appendix I for the financial years ended December 31, 2024 and 2025 none of our Directors received other remunerations of benefits in kind from us.

Disclaimers

Save as disclosed in this Document:

(a) none of our Directors or our chief executive has any interest or short position 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, 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 Model Code for Securities Transactions by Directors of Listed Issuers once the H Shares are [**REDACTED**] on the Stock Exchange;

(b) none of our Directors is aware of any person (not being a Director or chief executive of our Company) who will, immediately following the completion of the [**REDACTED**] and the conversion of Unlisted Shares into H Shares (without taking into account any H Shares which may be [**REDACTED**] and [**REDACTED**] pursuant to the exercise of the [**REDACTED**]), have an interest or short position in our Shares or underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO or who is interested, directly or indirectly, in 10% or more of the issued voting shares of any member of our Group;

(c) none of our Directors, their respective close associates (as defined under the Listing Rules) or Shareholders who own more than 5% of the number of issued shares of our Company have any interests in the five largest customers or the five largest suppliers of our Group; and

(d) none of our Directors or any of the parties listed in "Qualifications of Experts" in this Appendix is:

    i. interested in our promotion, or in any assets which have been, within two years immediately preceding the date of this Document, acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our Group; or

ii. materially interested in any contract or arrangement subsisting at the date of this Document which is significant in relation to our business.

PRE-[REDACTED] EQUITY INCENTIVE PLAN

The following is a summary of the principal terms of the Pre-[**REDACTED**] Equity Incentive Plan, which was adopted by the Company in August 2025. Given the underlying Shares under the Pre-[**REDACTED**] Equity Incentive Plan had already been issued, there will not be any dilution effect to the issued share capital at our Company.

Under the Pre-[**REDACTED**] Equity Incentive Plan, eligible participants ("Eligible Participants") were granted partnership interests ("**Awards**") in Yangzhou Liyue and/or Shanghai Yuanyue, collectively our Employee Incentive Platforms, or any of the sub-platforms established under the Employee Incentive Platforms (the "**Sub-Platforms**"). As of the Latest Practicable Date, Yangzhou Liyue and Shanghai Yuanyue had, in turn, subscribed for 21,124,229 and 16,338,132 Shares, representing approximately 7.46% and 5.77% of our total issued Shares, respectively.

Purpose

The purpose of the Pre-[**REDACTED**] Equity Incentive Plan is to improve the incentive mechanism of the Company, to attract, motivate, and retain selected employees and other Eligible Participants, or to recognize their historical contribution to the Group, and to further enhance their motivation and creativity. The plan aims to encourage participants to provide long-term and stable service, create value, and contribute to the Group's continued performance growth, thereby aligning the interests of the participants with the enhancement of the Company's value and realizing the common development.

Administration

The Shareholders' general meeting of the Company is the highest authority of the Pre-[**REDACTED**] Equity Incentive Plan, responsible for approving the implementation, amendment, and termination of the plan. The Board of Directors acts as the executive authority, responsible for the management and interpretation of the plan. The general partner of the Employee Incentive Platforms is responsible for the day-to-day implementation and administration of the plan, including organizing the execution of relevant agreements and handling industrial and commercial registration procedures.

Eligible Participants

Eligible Participants include the management, employees, and consultants of the Company and its subsidiaries as determined by the Board.

Form of the Pre-[REDACTED] Equity Incentive Plan

The Pre-[**REDACTED**] Equity Incentive Plan is implemented through the Employee Incentive Platforms, i.e., Yangzhou Liyue and Shanghai Yuanyue. Eligible Participants shall subscribe for partnership interests in these platforms and become limited partners, thereby indirectly holding the equity of the Company. Sub-Platforms may be established under the Employee Incentive Platforms where necessary, and the management of such sub-platforms shall follow the principles of the plan for administration of the Employee Incentive Platforms.

Consideration and Financial Assistance

The price of the Awards is set out in the respective grant agreements between the Company and the grantee ("**Grantees**"). The Grantees shall pay the consideration using their own funds. The Group shall not provide any loans or any other form of financial assistance, including providing guarantees for loans, to the participants for the purpose of acquiring the incentive interests.

Vesting Schedule

The partnership interests granted to the Grantees shall vest in full either on the grant date or on the first anniversary of the [**REDACTED**] of the Company, as specifically determined by the Board and set out in the relevant grant agreement.

Transfer Restrictions

No Grantee shall transfer, pledge, or otherwise dispose of any partnership interest in the Employee Incentive Platforms during the restricted period (the "**Restricted Period**") without the prior written consent of the general partner of the respect Employee Incentive Platform. The Restricted Period shall be the later of the vesting date or the expiry of the lock-up period pursuant to the applicable laws, listing rules, and lock-up undertakings (if applicable). After the expiry of the Restricted Period, the Grantees may apply to sell their indirect interests through the Employee Incentive Platforms in an orderly manner at an average execution price determined by the respect general partner.

Exit Mechanism and Repurchase

The general partner of the Employee Incentive Platforms is entitled to repurchase the interests held by a participant under the following circumstances:

- If a Grantee's employment is terminated for cause ("**Causes**"), which include but are not limited to negligence, dishonesty, breach of confidentiality, or competition), the general partner may repurchase all interests at the original grant price or nil consideration.
- If a Grantee's employment is terminated without Causes:
  - (a) Vested Interests: Grantees may retain interests that are fully paid or request a repurchase at the original grant price plus 1.25% annual simple interest. For interests vested but unpaid, Grantees must settle the payment within five days to retain the interest, or such interests will be transferred to the general partner at nil consideration.
  - (b) Unvested Interests: Interests already paid for shall be repurchased at the original grant price plus 1.25% annual simple interest, while unpaid interests shall lapse and be transferred to the general partner at nil consideration.
- In the event of death or permanent disability of the Grantees, the general partner may repurchase the vested interests at the higher of (i) the original grant price plus a 1.25% annual simple interest, or (ii) the fair market value as determined by the Board.

Change of Control

In the event of a change of control of the Company, including a merger where the Company is not the surviving entity or a sale of substantially all assets, all unvested interests shall accelerate and vest immediately, subject to the determination of the Board and the Shareholders' general meeting.

Details of interests in the Employee Incentive Platforms

As of the Latest Practicable Date, all partnership interests in the Employee Incentive Platforms have been subscribed. As of the Latest Practicable Date, Awards corresponded to a total of 37,462,309.50 Shares , representing approximately 13.23% of our total issued Shares, have been granted. All Awards under the Pre-[**REDACTED**] Equity Incentive Plan have been granted, and no further Awards will be granted after the [**REDACTED**].

Details of the Awards granted to Directors and senior management of our Company, connected persons of the Company and the consultants under the Pre-[**REDACTED**] Equity Incentive Plans are set out below:

Name	Position(s)	Relevant Employee Incentive Platforms or Sub-Platforms[2]	Approximate partnership interests in the relevant Employee Incentive Platform	Approximate number of Shares corresponding to awards granted to the grantees[1]	Grant prices per Share[1]	Approximate shareholding percentage of total issued Shares immediately prior to the [REDACTED]
					(USD)	
Directors and Senior Management						
Dr. Gavin Guoyao Xia	Executive Director, chief executive officer and chairman of the Board	Yangzhou Liyue[3]	42.03%	9,925,144	0.30	[REDACTED]%
		Shanghai Yuanyue[3]	5.81%			
		Shanghai Yuantianyue[3]	3.02%			
Jin Tian, M.D.	Executive Director and chief medical officer	Yangzhou Liyue[3]	24.42%	5,159,554.5	0.30	[REDACTED]%
Dr. Shen Xiao	Chief scientific officer	Shanghai Yuantianyue	62.80%	1,995,000	0.32	[REDACTED]%
Dr. Shu Chutian (舒楚天)	Chief technology officer	Shanghai Yuanxuanyue[4]	87.43%	4,085,000	0.11; 0.32	[REDACTED]%
Dr. Zhang Huading (張華丁)	Executive Director and chief operating officer	Shanghai Yuanyuyue[4]	46.37%	3,895,000	0.21; 0.32	[REDACTED]%
		Shanghai Yuantianyue	29.90%			
		Shanghai Yuanyue	0.01%			
Ms. Wang Yun (汪昀)	Executive Director and chief of staff	Yangzhou Liyue	32.58%	6,883,158.5	0.17	[REDACTED]%
Dr. Feng Jun (馮俊)	Head of commercialization	Shanghai Yuanhuangyue[4]	96.00%	1,140,000	0.32	[REDACTED]%
Former consultants						
Consultant A	Former external CMC consultant	Yangzhou Liyue	0.45%	95,000	0.02	[REDACTED]%
Consultant B	Regulatory affairs consultant	Yangzhou Liyue	0.51%	107,150.5	0.05	[REDACTED]%
Other grantees who are employees or former employee						
28 other grantees	–	Shanghai Yuanyuyue	52.13%	587,527.5	0.11 to 0.32	[REDACTED]%
12 other grantees	–	Shanghai Yuanxuanyue	12.57%	3,311,415	0.21 to 0.32	[REDACTED]%
two other grantees	–	Shanghai Yuantianyue	4.28%	47,500	0.21 to 0.32	[REDACTED]%
five other grantees	–	Shanghai Yuanhuangyue	4.00%	135,859.5	0.32	[REDACTED]%

Notes:

(1) For illustrating the indirect interest of grantees in the Shares, the number of Shares and grant prices per Share are presented and calculated taking into consideration of the joint stock conversion.

Historically, multiple rounds of grants were made under the then applicable incentive plans. The Pre-[**REDACTED**] Equity Incentive Plan has superseded the previous adopted plans, pursuant to which the relevant awards were re-granted at grant prices determined based on the weighted average of their respective historical grant prices, resulting in the current price variances.

(2) As of the Latest Practicable Date, Shanghai Yuanyuyue, Shanghai Yuanxuanyue, Shanghai Yuantianyue and Shanghai Yuanhuangyue, were established as the Sub-Platforms under Shanghai Yuanyue, holding 38.88%, 28.60%, 19.44% and 7.27% limited partnership interests therein, respectively.

Unless otherwise specified, the relevant grantees hold limited partnership interests in the respective Employee Incentive Platforms or Sub-Platforms.

(3) Dr. Gavin Xia, through AleyuanGX, served as the general partner of both Employee Incentive Platforms, and also the general partner of Shanghai Yuantianyue, a Sub-Platform of Shanghai Yuanyue.

(4) Dr. Shu Chutian, Dr. Zhang Huading and Dr. Feng Jun served as the general partner of Shanghai Yuanxuanyue, Shanghai Yuanyuyue and Shanghai Yuanhuangyue, each a Sub-Platform of Shanghai Yuanyue, respectively, which is subject to the management under AleyuanGX as the administrator of Shanghai Yuanyue.

OTHER INFORMATION

Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries under the laws of the PRC.

Litigation

As of the Latest Practicable Date, we were 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 any member of our Group, that would have a material and adverse effect on our Group's results of operations or financial conditions, taken as a whole.

Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred any material preliminary expenses.

Promoter

The promoters of the Company are all of the 42 then Shareholders immediately before our conversion into a joint stock limited liability company. Within the two years immediately preceding the date of this Document, no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to the promoters in connection with the [**REDACTED**] and the related transactions described in this Document.

Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares registered with our Hong Kong branch register of members 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 our Shares being sold or transferred.

No Material Adverse Change

Our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of the Group since December 31, 2025 (being the date to which the latest consolidated financial statements of our Group were prepared).

Qualifications of Experts

The qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given their opinion and/or advice in this Document are as follows:

Name	Qualification
Jefferies Hong Kong Limited	A licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Merrill Lynch (Asia Pacific) Limited	A licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO
Huatai Financial Holdings (Hong Kong) Limited	A licensed corporation under the SFO for Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 3 (Leveraged foreign exchange trading), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities under the SFO
Ernst & Young	Certified Public Accountants, and Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
Zhong Lun Law Firm	PRC legal adviser
China Insights Industry Consultancy Limited	Independent industry consultant
AVISTA Valuation Advisory Limited	Property valuer

As of the Latest Practicable Date, none of the experts named above had any shareholding interest in our Company or any of our subsidiaries 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.

Consents of Experts

Each of the experts as referred to "Qualifications of Experts" in this Appendix has given and has not withdrawn their respective written consents to the issue of this Document with the inclusion of their reports and/or letters (as the case may be) and the references to their names included in the form and context in which they are respective included.

Joint Sponsors' Independence

Joint Sponsors satisfy the independence criteria applicable to the sponsors set out in Rule 3A.07 of the Listing Rules.

Pursuant to the engagement letter entered into between the Company and the Joint Sponsors, the Joint Sponsors' fees payable by us to the Joint Sponsors in respect of its service as the sponsors in connection with the [**REDACTED**] on the Stock Exchange is US$900,000 in aggregate.

Binding Effect

This Document shall have the effect, if an application is made in pursuance of it, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

Bilingual Document

The English and Chinese language versions of this Document are being published separately, in reliance upon the exemption provided under section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

Miscellaneous

Save as otherwise disclosed in this Document:

(a) within the two years preceding the date of this Document: (i) we have not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash; and (ii) no commissions, discounts, brokerage fee or other special terms have been granted in connection with the issue or sale of any shares of our Company;

(b) no share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option;

(c) we have not issued nor agreed to issue any founder shares, management shares or deferred shares;

(d) there are no arrangements under which future dividends are waived or agreed to be waived;

(e) there are no procedures for the exercise of any right of pre-emption or transferability of subscription rights;

(f) there are no contracts for hire or hire purchase of plant to or by us for a period of over one year which are substantial in relation to our business;

(g) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months;

(h) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;

(i) no part of the equity or debt securities of our Company, if any, is currently listed on or dealt in on any stock exchange or trading system, and no such listing or permission to list on any stock exchange other than the Hong Kong Stock Exchange is currently being or agreed to be sought;

(j) our Company has no outstanding convertible debt securities or debentures;

(k) our Company is a joint stock limited company and is subject to the PRC Company Law; and

(l) our Company has adopted a code of conduct regarding Directors' securities transactions on terms as required under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of this Document and delivered to the Registrar of Companies in Hong Kong for registration were:

(a) a copy of the material contract referred to in "Appendix V — Statutory and General Information — Further Information about our Business — Summary of Material Contract"; and

(b) the written consents referred to in "Appendix V — Statutory and General Information — Other Information — Consents of Experts".

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the Stock Exchange's website at **www.hkexnews.hk** and the Company's website at **www.alebund.com** during a period of 14 days from the date of this Document:

(a) the Articles of Association;

(b) the audited consolidated financial statements of our Group for the audited consolidated financial statements of our Group for the financial years ended December 31, 2024 and 2025;

(c) the Accountants' Report from Ernst & Young, the text of which is set out in Appendix I;

(d) the report from Ernst & Young on the unaudited [**REDACTED**] financial information of our Group, the text of which is set out in Appendix II;

(e) the property valuation report prepared by AVISTA Valuation Advisory Limited, the text of which is set out in Appendix III to this document;

(f) the legal opinions issued by Zhong Lun Law Firm, our PRC Legal Adviser, in respect of, among other things, the general corporate matters and property interests of our Group under the PRC law;

(g) the industry report issued by China Insights Industry Consultancy Limited referred to in "Industry Overview";

(h) the material contract referred to in "Appendix V — Statutory and General Information — Further Information about our Business — Summary of Material Contract";

(i) the written consents referred to in "Appendix V — Statutory and General Information — Other Information — Consents of Experts";

(j) the service contracts and letters of appointment referred to in "Appendix V — Statutory and General Information — Further Information about our Directors, Chief Executive and Substantial Shareholders — Particulars of Directors' Service Contracts"; and

(k) a copy of the following PRC laws, together with unofficial English translations:

  (i) the PRC Company Law;

  (ii) the PRC Securities Law; and

  (iii) the Overseas Listing Trial Measures.